



**SANGOMA TECHNOLOGIES CORPORATION**

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**Condensed consolidated interim financial statements for the  
three month periods ended September 30, 2024 and 2023  
(Unaudited in thousands of US dollars)**

**100 Renfrew Drive, Suite 100,  
Markham, Ontario,  
Canada L3R 9R6**

# Sangoma Technologies Corporation

Three month periods September 30, 2024 and 2023

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# Sangoma Technologies Corporation

## Condensed consolidated interim statements of financial position

As at September 30, 2024, and June 30, 2024

(Unaudited in thousands of US dollars, except per share data)

|  | Note | September 30<br>2024 | June 30,<br>2024 |
|--|------|----------------------|------------------|
|  |      | \$                   | \$               |
| <b>Assets</b>  |      |                      |                  |
| Current assets                                       |      |                      |                  |
| Cash and cash equivalents                            | 4    | 16,749               | 16,231           |
| Trade and other receivables                          | 4    | 16,299               | 18,596           |
| Inventories  | 6    | 13,788               | 14,768           |
| Sales tax receivable                                 |      | 453                  | 485              |
| Income tax receivable                                |      | 1,596                | 956              |
| Contract assets                                      |      | 1,393                | 1,479            |
| Derivative assets                                    | 15   | 483                  | 727              |
| Other current assets                                 |      | 3,577                | 3,867            |
|  |      | <b>54,338</b>        | <b>57,109</b>    |
| Non-current assets                                   |      |                      |                  |
| Property and equipment                               | 7    | 7,669                | 8,394            |
| Right-of-use assets                                  | 8    | 9,428                | 10,164           |
| Intangible assets                                    | 9    | 115,930              | 124,128          |
| Development costs                                    | 10   | 7,909                | 7,810            |
| Deferred income tax assets                           |      | 2,127                | 2,334            |
| Goodwill   | 12   | 187,502              | 187,502          |
| Contract assets                                      |      | 2,235                | 2,418            |
| Derivative assets                                    | 15   | 128                  | 320              |
| Other non-current assets                             |      | 459                  | 466              |
|  |      | <b>387,725</b>       | <b>400,645</b>   |
| <b>Liabilities</b>                                   |      |                      |                  |
| Current liabilities                                  |      |                      |                  |
| Accounts payable and accrued liabilities             | 4    | 18,718               | 21,450           |
| Provisions   | 13   | 405                  | 405              |
| Sales tax payable                                    |      | 7,874                | 5,955            |
| Income tax payable                                   |      | 95                   | 115              |
| Operating facility and loans                         | 15   | 22,050               | 19,875           |
| Contract liabilities                                 | 16   | 8,248                | 9,582            |
| Lease obligations on right-of-use assets             | 8    | 2,500                | 2,722            |
|  |      | <b>59,890</b>        | <b>60,104</b>    |
| Long term liabilities                                |      |                      |                  |
| Operating facility and loans                         | 15   | 47,050               | 57,950           |
| Contract liabilities                                 | 16   | 3,344                | 3,072            |
| Non-current lease obligations on right-of-use assets | 8    | 8,037                | 8,562            |
| Deferred income tax liabilities                      |      | 8,894                | 9,895            |
| Other non-current liabilities                        |      | 2,286                | 1,332            |
|  |      | <b>129,501</b>       | <b>140,915</b>   |
| <b>Shareholders' equity</b>                          |      |                      |                  |
| Share capital  |      | 382,042              | 380,986          |
| Contributed surplus                                  |      | 19,725               | 20,053           |
| Accumulated other comprehensive income               |      | 302                  | 626              |
| Accumulated deficit                                  |      | (143,845)            | (141,935)        |
|  |      | <b>258,224</b>       | <b>259,730</b>   |
|  |      | <b>387,725</b>       | <b>400,645</b>   |

Approved by the Board

(Signed) Al Guarino Director

(Signed) Allan Brett Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Sangoma Technologies Corporation

Condensed consolidated interim statements of loss and comprehensive loss

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

|   |         | Three month periods ended |                       |
|---|---------|---------------------------|-----------------------|
|   | Note    | September 30,<br>2024     | September 30,<br>2023 |
|   |         | \$                        | \$                    |
| Revenue   | 19      | 60,150                    | 63,028                |
| Cost of sales   |         | 18,969                    | 19,000                |
| Gross profit  |         | 41,181                    | 44,028                |
| Expenses  |         |                           |                       |
| Sales and marketing                                     |         | 12,556                    | 16,517                |
| Research and development                                | 10      | 11,342                    | 9,315                 |
| General and administration                              |         | 9,960                     | 10,808                |
| Amortization of intangible assets                       | 9       | 8,198                     | 8,361                 |
| Interest expense (net)                                  | 4,15    | 1,378                     | 1,662                 |
| Restructuring and business integration costs            |         | —                         | 156                   |
| Loss before income tax                                  |         | (2,253)                   | (2,791)               |
| Provision for income taxes                              |         |                           |                       |
| Current   | 11      | 491                       | 385                   |
| Deferred  | 11      | (834)                     | (732)                 |
| <b>Net loss</b>   |         | <b>(1,910)</b>            | <b>(2,444)</b>        |
| Other comprehensive income (loss)                       |         |                           |                       |
| Items to be reclassified to net income (loss)           |         |                           |                       |
| Change in fair value of interest rate swaps, net of tax | 11,15   | (324)                     | (93)                  |
| <b>Comprehensive loss</b>                               |         | <b>(2,234)</b>            | <b>(2,537)</b>        |
| <b>Loss per share</b>                                   |         |                           |                       |
| Basic and diluted                                       | 17(iii) | \$ (0.06)                 | \$ (0.07)             |
| <b>Weighted average number of shares outstanding</b>    |         |                           |                       |
| Basic and diluted                                       | 17(iii) | 33,402,422                | 33,126,673            |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Sangoma Technologies Corporation

Condensed consolidated interim statements of changes in shareholders' equity

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

|   | Note   | Number of<br>common<br>shares | Share capital  | Contributed<br>surplus | Accumulated<br>other<br>comprehensive<br>earnings | Retained<br>earnings<br>(accumulated<br>deficit) | Total<br>shareholders'<br>equity |
|---|--------|-------------------------------|----------------|------------------------|---|--|----------------------------------|
|   |        |                               | \$             | \$                     | \$  | \$   | \$                               |
| Balance, July 1, 2023                                   |        | 33,038,367                    | 379,924        | 18,132                 | 1,335   | (133,276)  | 266,115                          |
| Net loss  |        | —                             | —              | —                      | —   | (2,444)  | (2,444)                          |
| Change in fair value of interest rate swaps, net of tax | 15     | —                             | —              | —                      | (93)  | —  | (93)                             |
| Common shares issued for RSU exercised                  | 17(i)  | 145,833                       | 571            | (571)                  | —   | —  | —                                |
| Share-based compensation expense                        | 17(ii) | —                             | —              | 662                    | —   | —  | 662                              |
| <b>Balance, September 30, 2023</b>                      |        | <b>33,184,200</b>             | <b>380,495</b> | <b>18,223</b>          | <b>1,242</b>                                      | <b>(135,720)</b>                                 | <b>264,240</b>                   |
| Balance, July 1, 2024                                   |        | 33,340,159                    | 380,986        | 20,053                 | 626   | (141,935)  | 259,730                          |
| Net loss  |        | —                             | —              | —                      | —   | (1,910)  | (1,910)                          |
| Change in fair value of interest rate swaps, net of tax | 11,15  | —                             | —              | —                      | (324)   | —  | (324)                            |
| Common shares issued for RSU exercised                  | 17(i)  | 197,525                       | 1,056          | (1,056)                | —   | —  | —                                |
| Share-based compensation expense                        | 17(ii) | —                             | —              | 728                    | —   | —  | 728                              |
| <b>Balance, September 30, 2024</b>                      |        | <b>33,537,684</b>             | <b>382,042</b> | <b>19,725</b>          | <b>302</b>  | <b>(143,845)</b>                                 | <b>258,224</b>                   |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Sangoma Technologies Corporation

## Condensed consolidated interim statements of cash flows

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

|   | Note   | Three month periods ended |                      |
|---|--------|---------------------------|----------------------|
|   |        | September 30<br>2024      | September 30<br>2023 |
| <b>Operating activities</b>                           |        | \$                        | \$                   |
| Net loss  |        | (1,910)                   | (2,444)              |
| Adjustments for:                                      |        |                           |                      |
| Depreciation of property and equipment                | 7      | 1,085                     | 1,073                |
| Depreciation of right-of-use assets                   | 8      | 678                       | 759                  |
| Amortization of intangible assets                     | 9      | 8,198                     | 8,361                |
| Amortization of development costs                     | 10     | 1,426                     | 972                  |
| Income tax expense (recovery)                         | 11     | (343)                     | (347)                |
| Income tax paid                                       |        | (819)                     | (39)                 |
| Share-based compensation expense                      | 17(ii) | 728                       | 662                  |
| Unrealized foreign exchange loss                      |        | (29)                      | (29)                 |
| Accretion expense                                     | 8      | 83                        | 108                  |
| Loss on disposal of property and equipment            | 7      | 76                        | 82                   |
| Changes in working capital                            |        |                           |                      |
| Trade and other receivables                           |        | 2,297                     | 1,471                |
| Inventories   |        | 980                       | 80                   |
| Sales tax receivable                                  |        | 32                        | 29                   |
| Contract assets                                       |        | 269                       | 153                  |
| Other assets  |        | 297                       | 817                  |
| Sales tax payable                                     |        | 1,919                     | 179                  |
| Accounts payable and accrued liabilities              |        | (2,732)                   | (3,933)              |
| Provisions  |        | —                         | 87                   |
| Other non current liabilities                         |        | 954                       | 780                  |
| Contract liabilities                                  |        | (1,062)                   | (972)                |
| <b>Net cash provided by operating activities</b>      |        | <b>12,127</b>             | <b>7,849</b>         |
| <b>Investing activities</b>                           |        |                           |                      |
| Purchase of property and equipment                    | 7      | (436)                     | (685)                |
| Development costs                                     | 10     | (1,679)                   | (1,915)              |
| <b>Net cash flows used in investing activities</b>    |        | <b>(2,115)</b>            | <b>(2,600)</b>       |
| <b>Financing activities</b>                           |        |                           |                      |
| Repayments of operating facility and loan             | 15     | (8,725)                   | (4,425)              |
| Repayment of lease obligations on right-of-use assets | 8      | (769)                     | (841)                |
| <b>Net cash flows used in financing activities</b>    |        | <b>(9,494)</b>            | <b>(5,266)</b>       |
| Increase (Decrease) in cash and cash equivalents      |        | 518                       | (17)                 |
| Cash and cash equivalents, beginning of the period    |        | 16,231                    | 11,156               |
| <b>Cash and cash equivalents, end of the period</b>   |        | <b>16,749</b>             | <b>11,139</b>        |

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

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## 1. General information

Founded in 1984, Sangoma Technologies Corporation (“Sangoma” or the “Company”) is publicly traded on the Toronto Stock Exchange (TSX: STC) and NASDAQ (NASDAQ: SANG). The Company was incorporated in Canada, its legal name is Sangoma Technologies Corporation and its primary operating subsidiaries for fiscal 2025 are Sangoma Technologies Inc., Sangoma US Inc., Digium Inc., NetFortris Corporation, Star2Star Communications LLC, VoIP Supply LLC, and VoIP Innovations LLC.

Sangoma is a leading provider of hardware and software components that enable or enhance Internet Protocol Communications Systems for both telecom and datacom applications. Enterprises, small to medium sized businesses (“SMBs”) and telecom operators globally rely on Sangoma’s technology as part of their mission critical infrastructures. The product line includes data and telecom boards for media and signal processing, as well as gateway appliances and software.

The Company is domiciled in Ontario, Canada. The address of the Company’s registered office is 100 Renfrew Dr., Suite 100, Markham, Ontario, L3R 9R6 and the Company operates in multiple jurisdictions.

## 2. Significant accounting policies

### *Statement of compliance and basis of presentation*

These interim financial statements for the three month periods ended September 30, 2024 and 2023 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”).

These interim financial statements do not include all of the disclosures required by International Financial Reporting Standards (“IFRS Accounting Standards”) for annual consolidated financial statements and accordingly should be read in conjunction with the Company’s audited consolidated financial statements for the year ended June 30, 2024 (“annual financial statements”) prepared in accordance with IFRS Accounting Standards.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 6, 2024.

## 3. Significant accounting judgements, estimates and uncertainties

These unaudited condensed consolidated interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended June 30, 2024. They were prepared using the same critical estimates and judgments in applying the accounting policies as those of the audited consolidated financial statements for the year ended June 30, 2024.

The preparation of the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported assets, liabilities, revenue and expenses, consistent with those described in the Company’s annual financial statements and as described in these interim financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with the corresponding effect on profit or loss, when, and if, better information is obtained.

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 4. Financial instruments

The fair values of the cash, trade and other receivables, other current assets, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these financial instruments. The fair values of operating facility and loans approximate their carrying values due to variable interest loans or fixed rate loan, which represent market rate.

Derivative assets and liabilities are recorded at fair value.

Cash and cash equivalents are comprised of:

|                          | September 30<br>2024 | June 30,<br>2024 |
|--------------------------|----------------------|------------------|
|                          | \$                   | \$               |
| Cash at bank and on hand | 16,749               | 16,231           |

Cash includes demand deposits with financial institutions and cash equivalents consist of short-term, highly liquid investments purchased with original maturities of three months or less. As at September 30, 2024 and June 30, 2024 the Company had no demand deposits and cash equivalents.

Interest expense (net) comprises of total interest income and interest expense for financial assets or financial liabilities that are not at fair value through profit or loss, and can be summarized as follows:

|                        | Note | September 30<br>2024 | September 30<br>2023 |
|------------------------|------|----------------------|----------------------|
|                        |      | \$                   | \$                   |
| Interest expense       | 15   | 1,295                | 1,554                |
| Accretion expense      | 8    | 83                   | 108                  |
| Interest expense (net) |      | 1,378                | 1,662                |

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, foreign currency risk, interest rate risk and market risk.

### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. Where possible, the Company uses an insurance policy with Export Development Canada (“EDC”) for its trade receivables to manage this risk and minimize any exposure.

|  | September 30<br>2024 | June 30,<br>2024 |
|--|----------------------|------------------|
|  | \$                   | \$               |
| Trade receivables                                | 13,728               | 16,025           |
| Receivable related to working capital adjustment | 2,571                | 2,571            |
| Trade and other receivables                      | 16,299               | 18,596           |

# Sangoma Technologies Corporation

## Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

During the three month period ended September 30, 2024, the Company received \$nil (September 30, 2023 - \$1,164) cash from the escrow account for the working capital provision related to certain indemnification assets recorded in respect of liabilities assumed on the acquisition of NetFortris. The remaining balance is \$2,571 as at September 30, 2024 (June 30, 2024 - \$2,571).

The Company's maximum exposure to credit risk for its trade receivables is summarized as follows with some of the over 90-day receivable not being covered by EDC:

|                                | September 30<br>2024 | June 30,<br>2024 |
|--------------------------------|----------------------|------------------|
|                                | \$                   | \$               |
| Trade receivables aging:       |                      |                  |
| 0-30 days                      | 11,033               | 12,229           |
| 31-90 days                     | 1,914                | 2,995            |
| Greater than 90 days           | 2,006                | 2,170            |
|                                | 14,953               | 17,394           |
| Expected credit loss provision | (1,225)              | (1,369)          |
| Net trade receivables          | 13,728               | 16,025           |

The movement in the provision for expected credit losses can be reconciled as follows:

|  | September 30<br>2024 | June 30,<br>2024 |
|--|----------------------|------------------|
|  | \$                   | \$               |
| Expected credit loss provision:                                |                      |                  |
| Expected credit loss provision, beginning balance              | (1,369)              | (1,566)          |
| Net change in expected credit loss provision during the period | 144                  | 197              |
| Expected credit loss provision, ending balance                 | (1,225)              | (1,369)          |

The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking factors, where appropriate.

Substantially all of the Company's cash and cash equivalents are held with major Canadian and US financial institutions and thus the exposure to credit risk is considered insignificant. Management actively monitors the Company's exposure to credit risk under its financial instruments, including with respect to trade receivables.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates and align this planning and budgeting process with its financing activities through its capital management process.

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

The Company holds sufficient cash and cash equivalents and working capital, maintained through stringent cash flow management, to ensure sufficient liquidity is maintained. The following are the undiscounted contractual maturities of significant financial liabilities of the Company as at September 30, 2024:

|  | within 12 months | 13-24 months | 25-36 months | >36 months | Total   |
|--|------------------|--------------|--------------|------------|---------|
|  | \$               | \$           | \$           | \$         | \$      |
| Accounts payable and accrued liabilities | 18,718           | —            | —            | —          | 18,718  |
| Sales tax payable                        | 7,874            | —            | —            | —          | 7,874   |
| Operating facility and loans             | 22,050           | 20,600       | 16,225       | 10,225     | 69,100  |
| Lease obligations on right of use assets | 2,775            | 1,902        | 1,537        | 5,391      | 11,605  |
| Other non-current liabilities            | —                | —            | —            | 2,286      | 2,286   |
|  | 51,417           | 22,502       | 17,762       | 17,902     | 109,583 |

## *Foreign currency risk*

A portion of the Company's transactions occur in a foreign currency (Canadian Dollars (CAD), Euros (EUR), Great British Pounds (GBP), Indian Rupees (INR), Philippine Peso (PHP), Australian Dollar (AUD), and Columbia Peso (COP) , therefore, the Company is exposed to foreign currency risk at the end of the reporting period through its foreign denominated cash, trade receivables, contract assets, accounts payable and accrued liabilities. As at September 30, 2024, a 10% depreciation or appreciation of the CAD, EUR, GBP, INR, PHP, AUD and COP currencies against the U.S. dollar would have resulted in an approximate \$260 (June 30, 2024 - \$46) increase or decrease, respectively, in total comprehensive loss.

## *Interest rate risk*

The Company's exposure to interest rate fluctuations is with its credit facility (Note 15) which bears interest at a floating rate. As at September 30, 2024, a change in the interest rate of 1% per annum would have an impact of approximately \$553 (September 30, 2023 - \$753) per annum in finance costs. The Company also entered an interest rate swap arrangement for its loan facility (Note 15) to manage the exposure to changes in SOFR-rate based interest rate. As described in detail in Note 15, the fair value of the interest rate swaps are a current asset of \$483 and non-current asset of \$128 on September 30, 2024 (June 30, 2024 - current asset of \$727 and non-current asset of \$320).

## 5. Capital management

The Company's objectives in managing capital is to safeguard the Company's assets, to ensure sufficient liquidity to sustain the viability of the future development of the business via advancement of its significant research and development efforts, to conservatively manage financial risk and to maximize investor, creditor, and market confidence. The Company considers its capital structure to include its shareholders' equity and operating facilities and loans. Working capital is optimized via stringent cash flow policies surrounding disbursement, foreign currency exchange and investment decision-making. There have been no changes in the Company's approach to capital management during the period, and apart from the financial covenants as discussed in Note 15, the Company is not subject to any other capital requirements imposed by external parties.

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

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## 6. Inventories

Inventories recognized in the condensed consolidated interim statements of financial position are comprised of:

|                              | September 30<br>2024 | June 30,<br>2024 |
|------------------------------|----------------------|------------------|
|                              | \$                   | \$               |
| Finished goods               | <b>9,603</b>         | 10,740           |
| Components and parts         | <b>5,695</b>         | 5,537            |
|                              | <b>15,298</b>        | 16,277           |
| Provision for obsolescence   | <b>(1,510)</b>       | (1,509)          |
| Net inventory carrying value | <b>13,788</b>        | 14,768           |

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 7. Property and equipment

|                                      | Office furniture<br>and computer<br>equipment | Software   | Stockroom<br>and production<br>equipment | Tradeshow<br>equipment | Leasehold<br>improvements | Total         |
|--------------------------------------|---|------------|--|------------------------|---------------------------|---------------|
| <b>Cost</b>                          | \$  | \$         | \$                                       | \$                     | \$                        | \$            |
| Balance at July 1, 2023              | 5,366   | 458        | 12,867                                   | 47                     | 450                       | 19,188        |
| Additions                            | 660   | 42         | 3,368                                    | —                      | 60                        | 4,130         |
| Disposals                            | (52)  | —          | (579)                                    | —                      | —                         | (631)         |
| Balance at June 30, 2024             | 5,974   | 500        | 15,656                                   | 47                     | 510                       | 22,687        |
| Additions                            | 166   | —          | 270                                      | —                      | —                         | 436           |
| Disposals                            | —   | —          | (220)                                    | —                      | —                         | (220)         |
| <b>Balance at September 30, 2024</b> | <b>6,140</b>                                  | <b>500</b> | <b>15,706</b>                            | <b>47</b>              | <b>510</b>                | <b>22,903</b> |
| <b>Accumulated depreciation</b>      |   |            |  |                        |                           |               |
| Balance at July 1, 2023              | 3,364   | 434        | 5,906                                    | 47                     | 285                       | 10,036        |
| Depreciation expense                 | 815   | 22         | 3,539                                    | —                      | 119                       | 4,495         |
| Disposals                            | —   | —          | (238)                                    | —                      | —                         | (238)         |
| Balance at June 30, 2024             | 4,179   | 456        | 9,207                                    | 47                     | 404                       | 14,293        |
| Depreciation expense                 | 182   | 7          | 885                                      | —                      | 11                        | 1,085         |
| Disposals                            | —   | —          | (144)                                    | —                      | —                         | (144)         |
| <b>Balance at September 30, 2024</b> | <b>4,361</b>                                  | <b>463</b> | <b>9,948</b>                             | <b>47</b>              | <b>415</b>                | <b>15,234</b> |
| <b>Net book value as at:</b>         |   |            |  |                        |                           |               |
| Balance at June 30, 2024             | 1,795   | 44         | 6,449                                    | —                      | 106                       | 8,394         |
| <b>Balance at September 30, 2024</b> | <b>1,779</b>                                  | <b>37</b>  | <b>5,758</b>                             | <b>—</b>               | <b>95</b>                 | <b>7,669</b>  |

For the three month period ended September 30, 2024, depreciation expense of \$211 (September 30, 2023 - \$245) were recorded in general and administration expense in the condensed consolidated interim statements of loss and comprehensive loss. Depreciation expense in the amount of \$874 were included in cost of sales for the three month period ended September 30, 2024 (September 30, 2023 - \$828).

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 8. Leases: Right-of-use assets and lease obligations

The Company's lease obligations and right-of-use assets are presented below:

|  | <b>Right-of-use assets</b> |
|--|----------------------------|
|  | \$                         |
| <b>Present value of leases</b>                 |                            |
| Balance as at July 1, 2023                     | 22,182                     |
| Additions                                      | 814                        |
| Terminations                                   | (3,239)                    |
| Balance at June 30, 2024                       | 19,757                     |
| Additions                                      | —                          |
| Terminations                                   | (509)                      |
| <b>Balance at September 30, 2024</b>           | <b>19,248</b>              |
| <b>Accumulated depreciation and repayments</b> |                            |
| Balance as at July 1, 2023                     | 9,030                      |
| Depreciation expense                           | 2,870                      |
| Terminations                                   | (2,307)                    |
| Balance at June 30, 2024                       | 9,593                      |
| Depreciation expense                           | 678                        |
| Terminations                                   | (451)                      |
| <b>Balance at September 30, 2024</b>           | <b>9,820</b>               |
| <b>Net book value as at:</b>                   |                            |
| June 30, 2024                                  | 10,164                     |
| <b>September 30, 2024</b>                      | <b>9,428</b>               |
|  |                            |
|  | <b>Lease Obligations</b>   |
|  | \$                         |
| <b>Present value of leases</b>                 |                            |
| Balance as at July 1, 2023                     | 14,331                     |
| Additions                                      | 814                        |
| Repayments                                     | (3,163)                    |
| Accretion expense                              | 394                        |
| Terminations                                   | (1,086)                    |
| Effects of movements on exchange rates         | (6)                        |
| Balance at June 30, 2024                       | 11,284                     |
| Additions                                      | —                          |
| Repayments                                     | (769)                      |
| Accretion expense                              | 83                         |
| Terminations                                   | (68)                       |
| Effects of movements on exchange rates         | 7                          |
| <b>Balance at September 30, 2024</b>           | <b>10,537</b>              |
| <b>Lease Obligations - Current</b>             | <b>2,500</b>               |
| <b>Lease Obligations - Non-current</b>         | <b>8,037</b>               |
|  | <b>10,537</b>              |

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 9. Intangible assets

|                                      | Purchased<br>technology | Customer<br>relationships | Brand        | Other<br>purchased<br>intangibles | Total          |
|--------------------------------------|-------------------------|---------------------------|--------------|-----------------------------------|----------------|
|                                      | \$                      | \$                        | \$           | \$                                | \$             |
| <b>Cost</b>                          |                         |                           |              |                                   |                |
| Balance at July 1, 2023              | 110,123                 | 126,456                   | 6,787        | 2,748                             | 246,114        |
| Balance at June 30, 2024             | 110,123                 | 126,456                   | 6,787        | 2,748                             | 246,114        |
| <b>Balance at September 30, 2024</b> | <b>110,123</b>          | <b>126,456</b>            | <b>6,787</b> | <b>2,748</b>                      | <b>246,114</b> |
| <b>Accumulated amortization</b>      |                         |                           |              |                                   |                |
| Balance at July 1, 2023              | 41,576                  | 40,821                    | 3,586        | 2,694                             | 88,677         |
| Amortization expense                 | 17,683                  | 14,948                    | 624          | 54                                | 33,309         |
| Balance at June 30, 2024             | 59,259                  | 55,769                    | 4,210        | 2,748                             | 121,986        |
| Amortization expense                 | 4,346                   | 3,698                     | 154          | —                                 | 8,198          |
| <b>Balance at September 30, 2024</b> | <b>63,605</b>           | <b>59,467</b>             | <b>4,364</b> | <b>2,748</b>                      | <b>130,184</b> |
| <b>Net book value as at:</b>         |                         |                           |              |                                   |                |
| Balance at June 30, 2024             | 50,864                  | 70,687                    | 2,577        | —                                 | 124,128        |
| <b>Balance at September 30, 2024</b> | <b>46,518</b>           | <b>66,989</b>             | <b>2,423</b> | <b>—</b>                          | <b>115,930</b> |

For the three month period ended September 30, 2024, amortization expense of intangible assets was \$8,198 (September 30, 2023 - \$8,361).

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 10. Development costs

| <b>Cost</b>                          | <b>\$</b>       |
|--------------------------------------|-----------------|
| Balance at July 1, 2023              | 12,051          |
| Additions                            | 6,782           |
| Cost fully amortized                 | (309)           |
| Investment tax credits               | (822)           |
| Balance at June 30, 2024             | 17,702          |
| Additions                            | 1,679           |
| Investment tax credits               | (154)           |
| <b>Balance at September 30, 2024</b> | <b>19,227</b>   |
| <b>Accumulated amortization</b>      |                 |
| Balance at July 1, 2023              | (5,482)         |
| Amortization                         | (4,480)         |
| Cost fully amortized                 | 70              |
| Balance at June 30, 2024             | (9,892)         |
| Amortization                         | (1,426)         |
| <b>Balance at September 30, 2024</b> | <b>(11,318)</b> |

|                                   | <b>September 30</b> | June 30,  |
|-----------------------------------|---------------------|-----------|
|                                   | <b>2024</b>         | 2024      |
|                                   | <b>\$</b>           | <b>\$</b> |
| Net capitalized development costs | <b>7,909</b>        | 7,810     |

Amortization expense is included in research and development expense in the condensed consolidated interim statements of loss and comprehensive loss. For the three month period ended September 30, 2024, amortization was \$1,426 (September 30, 2023 - \$972 ). In addition to the above amortization, the Company has recognized \$9,916 of engineering expenditures as expenses during the three month period ended September 30, 2024 (September 30, 2023 - \$8,343).

# Sangoma Technologies Corporation

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(Unaudited in thousands of US dollars, except per share data)

## 11. Income tax

The Company income tax expense is determined as follows:

|   | Three month periods ended |              |
|---|---------------------------|--------------|
|   | September 30              |              |
|   | 2024                      | 2023         |
| Statutory income tax rate                                 | 25.78%                    | 26.15%       |
|   | \$                        | \$           |
| Loss before income tax                                    | (2,253)                   | (2,791)      |
| Expected income tax recovery                              | (581)                     | (715)        |
| Difference in foreign tax rates                           | —                         | 8            |
| Share based compensation                                  | 187                       | 170          |
| Other non deductible expenses                             | (24)                      | (30)         |
| Changes in estimates                                      | 1                         | 194          |
| Scientific Research and Experimental Development (SR&ED)  | 20                        | 26           |
| Changes in tax benefits not recognized                    | 54                        | —            |
| <b>Income tax recovery</b>                                | <b>(343)</b>              | <b>(347)</b> |
| The Company's income tax expense is allocated as follows: | \$                        | \$           |
| Current tax expense                                       | 491                       | 385          |
| Deferred income tax recovery                              | (834)                     | (732)        |
| <b>Income tax recovery</b>                                | <b>(343)</b>              | <b>(347)</b> |

## 12. Goodwill

The carrying amount and movements of goodwill was as follows:

|                                      | \$             |
|--------------------------------------|----------------|
| Balance at July 1, 2023              | 187,502        |
| Balance at June 30, 2024             | 187,502        |
| <b>Balance at September 30, 2024</b> | <b>187,502</b> |

There is no addition to goodwill for the three month period ended September 30, 2024.

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

## 13. Provisions

|                                      | \$         |
|--------------------------------------|------------|
| Balance at July 1, 2023              | 237        |
| Additional provision recognized      | 168        |
| Balance at June 30, 2024             | 405        |
| <b>Balance at September 30, 2024</b> | <b>405</b> |

The provisions represent the Company's best estimate of the value of the products sold in the current financial period that may be returned in a future period.

## 14. Consideration payable

During the three month period ended September 30, 2024, the Company made payments of \$nil (September 30, 2023 \$nil). As of September 30, 2024, the Company's has no outstanding balance of consideration payable (September 30, 2023 \$1,894).

The fair value of consideration payable as at September 30, 2024 is summarized below:

|   | \$       |
|---|----------|
| Opening balance, July 1, 2023             | 1,894    |
| Payments                                  | (2,096)  |
| Remeasurement during the period           | 202      |
| Ending balance, June 30, 2024             | —        |
| <b>Ending balance, September 30, 2024</b> | <b>—</b> |

## 15. Operating facility and loan and derivative assets and liabilities

### (a) Operating facility and loan

- (i) On October 18, 2019, the Company entered into a loan facility with two banks and drew down \$34,800. This loan is repayable on a straight-line basis through quarterly installment of \$1,450, and will be fully repaid on September 30, 2025. Separately, as required under the agreement, the Company locked in half of the original loan amount by entering a five years interest rate credit swap with the two banks for \$8,700 each. The balance outstanding against this term loan facility as of September 30, 2024 is \$5,800 (June 30, 2024 - \$7,250). As at September 30, 2024, term loan facility balance of \$5,800 (June 30, 2024 - \$5,800) is classified as current and \$nil (June 30, 2024 - \$1,450) as long-term in the condensed consolidated interim statements of financial position.
- (ii) On March 31, 2021, the Company amended its term loan facility with its lenders and drew down a second loan of \$52,500 to fund part of the acquisition of StarBlue Inc.

The second loan is repayable, on a straight-line basis, through quarterly payments of \$2,188 and matures on February 28, 2027. The balance outstanding against this term loan facility as of September 30, 2024 is \$21,875 (June 30, 2024 - \$24,063). As at September 30, 2024, \$8,750 (June 30, 2024 - \$8,750) is classified as current and \$13,125 (June 30, 2024 - \$15,313) is classified as long-term in the condensed consolidated interim statements of financial position.

# Sangoma Technologies Corporation

## Notes to the condensed consolidated interim financial statements

### For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

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- (iii) On March 28, 2022, the Company amended its term loan facility with its lenders and drew down a third loan of \$45,000 to fund part of the acquisition of NetFortris Corporation. The loan is repayable, on a straight-line basis, through quarterly payments of \$1,875 and is due to mature on March 28, 2027. On June 28, 2022, the Company amended its term loan facility with its lenders, the amended repayment for the first twelve quarterly payments of \$788 and \$2,963 thereafter. The balance outstanding against this term loan facility as of September 30, 2024 is \$37,125 (June 30, 2024 - \$37,912). As at September 30, 2024, \$7,500 (June 30, 2024 - \$5,325) is classified as current and \$29,625 (June 30, 2024 - \$32,587) is classified as long-term in the condensed consolidated interim statements of financial position. On June 4, 2024, the Company entered into the third amendment to the Second Amended and Restated Credit Agreement to reflect certain administrative amendments.
- (iv) On April 6, 2023 the Company increased the amount of the revolving credit facility from \$6,000 to \$20,000 and the amount of the swingline credit facility from \$1,500 to \$5,000. As of September 30, 2024, the amount of \$4,300 (June 30, 2024 - \$8,600) remains outstanding on the revolving credit facility and is classified as long term in the condensed consolidated interim statements of financial position.

For the three month period ended September 30, 2024, the Company incurred interest costs to service its borrowing facilities, comprising of the loans and operating facilities, in the amount of \$1,295 (September 30, 2023 - \$1,560). During the three month period ended September 30, 2024, the Company borrowed \$nil (September 30, 2023 - \$nil) in term loans and repaid \$4,425 (September 30, 2023 - \$4,425) in term loans. The Company repaid \$4,300 (September 30, 2023 - \$nil) in revolving credit facility.

Under its credit agreements with its lenders, the Company must satisfy certain financial covenants, principally in respect of total funded debt to earnings before interest, taxes and amortization (“EBITDA”), and debt service coverage ratio. As at September 30, 2024, and June 30, 2024 the Company was in compliance with all covenants related to its credit agreements.

#### (b) Derivative assets and liabilities

The Company uses derivative financial instruments to hedge its exposure to interest rate risks. All derivative financial instruments are recognized as either assets or liabilities at fair value on the condensed consolidated interim statements of financial position. Upon entering into a hedging arrangement with an intent to apply hedge accounting, the Company formally documents the hedge relationship and designates the instrument for financial reporting purposes as a fair value hedge, a cash flow hedge, or a net investment hedge. When the Company determines that a derivative financial instrument qualifies as a cash flow hedge and is effective, the changes in fair value of the instrument are recorded in accumulated other comprehensive loss, net of tax in the condensed consolidated interim statements of financial position and will be reclassified to earnings when the hedged item affects earnings.

The interest rate swap arrangement with two banks became effective on January 31, 2020, with a maturity date of December 31, 2024. The notional amount of the swap agreement at inception was \$17,400 and decreases in line with the term of the loan facility. Effective March 31, 2022, Sangoma US Inc. entered into a fixed rate swap transaction worth \$43,750 over a five year period and terminating on February 28, 2027. As of September 30, 2024, the notional amount of the interest rate swap was \$27,845 (June 30, 2024 – \$27,845). The interest rate swap has a weighted average fixed rate of 1.80% (June 30, 2024 – 1.80%) and have been designated as an effective cash flow hedge and therefore qualifies for hedge accounting.

As at September 30, 2024, the fair value of the interest rate swap assets were valued at current of \$483 (June 30, 2024 - \$727) and non-current \$128 (June 30, 2024 – \$320). The current and non-current derivative assets were recorded in the condensed consolidated interim statements of financial position.

# Sangoma Technologies Corporation

## Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

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For the three month period ended September 30, 2024, the change in fair value of the interest rate swaps, net of tax, was a loss of \$324 (September 30, 2023 – a loss of \$93) recorded in other comprehensive loss in the condensed consolidated interim statements of loss and comprehensive loss. The fair value of interest rate swap is determined based on the market conditions and the terms of the interest rate swap agreement using the discounted cash flow methodology. Any differences between the hedged SOFR rate and the fixed rate are recorded as interest expense on the same period that the related interest is recorded for the loan facility based on the SOFR rate.

### 16. Contract liabilities

Contract liabilities, which includes deferred revenues, represent the future performance obligations to customers in respect of services or customer activation fees for which consideration has been received upfront and is recognized over the expected term of the customer relationship.

Contract liabilities as at September 30, 2024, and June 30, 2024 are below:

|  |               |
|--|---------------|
|  | \$            |
| Opening balance, July 1, 2023                            | 14,551        |
| Revenue deferred during the period                       | 38,500        |
| Deferred revenue recognized as revenue during the period | (40,397)      |
| Ending balance, June 30, 2024                            | 12,654        |
| Revenue deferred during the period                       | 10,138        |
| Deferred revenue recognized as revenue during the period | (11,200)      |
| <b>Ending balance, September 30, 2024</b>                | <b>11,592</b> |
| <b>Contract liabilities - Current</b>                    | <b>8,248</b>  |
| <b>Contract liabilities - Non-current</b>                | <b>3,344</b>  |
|  | <b>11,592</b> |

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

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(Unaudited in thousands of US dollars, except per share data)

## 17. Shareholders' equity

### (i) Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2024 and 2023, the Company's issued and outstanding common shares consist of the following:

|                                       | Three month periods ended |                    |
|---------------------------------------|---------------------------|--------------------|
|                                       | September 30, 2024        | September 30, 2023 |
|                                       | #                         | #                  |
| Shares issued and outstanding:        |                           |                    |
| Outstanding, beginning of the period  | 33,340,159                | 33,038,367         |
| Shares issued upon exercise of RSUs   | 197,525                   | 145,833            |
| <b>Outstanding, end of the period</b> | <b>33,537,684</b>         | <b>33,184,200</b>  |

During the three month period ended September 30, 2024, a total of nil (September 30, 2023 – nil) options were exercised for cash consideration of \$nil (September 30, 2023 - \$nil), and the Company recorded a charge of \$nil (September 30, 2023 – \$nil) from contributed surplus to share capital.

During the three month period ended September 30, 2024, a total of 197,525 (September 30, 2023 – 145,833) shares were issued upon the exercise of Restricted Share Units, and the Company recorded a charge of \$1,056 (September 30, 2023 – \$571) from contributed surplus to share capital.

### (ii) Share based payments

On December 13, 2022, the Company's shareholders approved the Omnibus Equity Incentive Plan (the "Plan"), which replaces the previous share option plan (the "Legacy Plan"). No further grants will be made under the Legacy Plan.

Under the Plan, the Company may grant participants Options, Performance Share Units (PSUs), Restricted Share Units (RSUs) and Deferred Share Units (DSUs). The PSUs, RSUs and DSUs are redeemable either for one common share or for an amount in cash equal to the fair market value of one common share (at the option of the Company and as set out in the participant's equity award agreement). All PSUs, RSUs and DSUs are accounted for as equity-settled awards.

DSUs generally vest immediately and become redeemable once a director no longer serves on the board of the Company. RSUs vest over a three-year period after the date of grant. The expense is measured based on the fair value of the awards at the grant date.

PSUs vest in full at the end of a three-year period. For PSUs granted prior to fiscal 2024 and in the current fiscal 2025, the final amount is based 50% on market-based performance targets being met and 50% on non-market-based performance targets, with the conversion ratio for vested PSUs being from 0% to 150%. The expense related to the PSUs is measured (i) based on the fair value of the awards at the grant date using the Monte Carlo simulation, for the market-based performance targets, and (ii) based on the fair value of the awards at the grant date using the volume weighted average trading price per share on the TSX during the immediately preceding five trading days for the non-market-based performance targets. For PSUs granted during fiscal 2024, the final amount is based 100% on market-based performance targets.

For the three month period ended September 30, 2024, the Company recognized share-based compensation expense in the amount of \$728 (September 30, 2023 - \$662).

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## Stock Options

Under the Plan (and previously under the Legacy Plan), employees are periodically granted share options to purchase common shares at prices not less than the market price of the common shares on the day prior to the date of grant or the volume weighted average trading price per share on the TSX during the five trading days immediately preceding the grant date. The fair value of each option grant is estimated at the date of grant using the Black-Scholes option pricing model. Expected volatility is determined by the amount the Company's daily share price fluctuated over a period commensurate with the expected life of the options. During the three month period ended September 30, 2024 and September 30, 2023, the Company did not grant any options.

The following table shows the movement in the stock option plan:

|                                    | Number<br>of options | Weighted<br>average price |
|------------------------------------|----------------------|---------------------------|
|                                    | #                    | \$                        |
| Balance, July 1, 2023              | 723,051              | 13.58                     |
| Forfeited                          | (22,939)             | (12.57)                   |
| Balance, September 30, 2023        | 700,112              | 13.61                     |
| Balance, July 1, 2024              | 462,346              | 15.21                     |
| Expired                            | (13,970)             | 24.15                     |
| <b>Balance, September 30, 2024</b> | <b>448,376</b>       | <b>16.44</b>              |

The following table summarizes information about the stock options outstanding and exercisable at the end of each period:

| Exercise price    | September 30,<br>2024                     |  |  | September 30,<br>2023                     |  |  |
|-------------------|---|--|--|---|--|--|
|                   | Number of<br>stock options<br>outstanding | Number of<br>stock options<br>outstanding and<br>exercisable | Weighted<br>average<br>remaining<br>contractual life | Number of<br>stock options<br>outstanding | Number of<br>stock options<br>outstanding<br>and exercisable | Weighted<br>average<br>remaining<br>contractual life |
| \$5.01 - \$7.00   | —   | —  | 0.00   | 61,766                                    | 59,606   | 0.24   |
| \$7.01 - \$9.00   | 116,000                                   | 58,117   | 2.75   | 209,500                                   | 65,507   | 3.75   |
| \$9.01 - \$12.00  | 76,308                                    | 65,615   | 0.68   | 104,698                                   | 71,389   | 1.68   |
| \$12.01 - \$15.00 | 45,000                                    | 25,325   | 2.50   | 48,125                                    | 20,005   | 3.50   |
| \$15.01 - \$18.00 | 120,085                                   | 90,273   | 1.75   | 150,045                                   | 88,023   | 2.75   |
| \$18.01 - \$20.00 | 22,856                                    | 15,740   | 1.75   | 22,856                                    | 11,444   | 2.75   |
| \$20.01 - \$27.00 | 68,127                                    | 59,794   | 1.36   | 103,122                                   | 64,598   | 2.36   |
|                   | <b>448,376</b>                            | <b>314,864</b>   | <b>1.84</b>  | 700,112                                   | 380,572  | 2.66   |

## Share Units

The following table summarizes information about the DSUs, RSUs and PSUs granted, exercised and forfeited during the three month period ended September 30, 2024.

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|  | DSU            | PSU            | RSU            | Total            |
|--|----------------|----------------|----------------|------------------|
| Awards outstanding July 1, 2023              | 66,391         | 130,000        | 130,000        | 326,391          |
| Awards granted during the period             | —              | —              | 102,500        | 102,500          |
| Awards exercised during the period           | —              | —              | (145,833)      | (145,833)        |
| Awards forfeited during the period           | —              | (17,500)       | (11,667)       | (29,167)         |
| Awards outstanding September 30, 2023        | 66,391         | 112,500        | 75,000         | 253,891          |
| Awards outstanding July 1, 2024              | 172,086        | 499,800        | 607,157        | 1,279,043        |
| Awards granted during the period             | —              | 271,000        | 271,000        | 542,000          |
| Awards exercised during the period           | —              | —              | (197,525)      | (197,525)        |
| <b>Awards outstanding September 30, 2024</b> | <b>172,086</b> | <b>770,800</b> | <b>680,632</b> | <b>1,623,518</b> |

During the three month period ended September 30, 2024, nil DSUs were granted (September 30, 2023 – nil). The fair value of each DSU issued during the three month period ended September 30, 2024 is \$nil per share (September 30, 2023 – \$nil).

During the three month period ended September 30, 2024, 271,000 PSUs were granted (September 30, 2023 – nil). The average fair value tied to market-based performance targets for each PSU issued during the three month period ended September 30, 2024 is \$6.68 per share (September 30, 2023 – \$nil ) using the Monte Carlo simulation.

The key assumptions used in the Monte Carlo simulation are:

|                         | Three month periods ended |                      |
|-------------------------|---------------------------|----------------------|
|                         | September 30<br>2024      | September 30<br>2023 |
| Share price             | \$6.68                    | \$—                  |
| Expected volatility     | 64.00%                    | —%                   |
| Time to expiry          | 2.76 years                | 0                    |
| Risk-free interest rate | 3.42%                     | —%                   |

During the three month period ended September 30, 2024, 271,000 RSUs were granted (September 30, 2023 – 102,500). The average fair value of each RSU issued during the three month period ended September 30, 2024 is \$5.65 per share (September 30, 2023 –\$3.98 ).

During the three month period ended September 30, 2024, 197,525 RSUs were exercised and settled through the issuance of common shares (September 30, 2023 – 145,833).

### (iii) Loss per share

Both the basic and diluted loss per share have been calculated using the net loss attributable to the shareholders of the Company as the numerator.

# Sangoma Technologies Corporation

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For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

|  | Three month periods ended |                      |
|--|---------------------------|----------------------|
|  | September 30<br>2024      | September 30<br>2023 |
| <b>Number of shares:</b>   |                           |                      |
| Weighted average number of shares outstanding                                  | 33,402,422                | 33,126,673           |
| Weighted average number of shares used in basic and diluted earnings per share | <b>33,402,422</b>         | 33,126,673           |
| <b>Net loss</b>  | <b>\$ (1,910)</b>         | <b>\$ (2,444)</b>    |
| <b>Loss per share</b>  |                           |                      |
| Basic and diluted loss per share   | <b>\$ (0.06)</b>          | <b>\$ (0.07)</b>     |

Potentially diluted shares relating to DSUs, PSUs, RSUs, and stock options as set-out below have been excluded from the calculation of the diluted number of shares as the impact would be anti dilutive.

|               | Three month periods ended |                      |
|---------------|---------------------------|----------------------|
|               | September 30<br>2024      | September 30<br>2023 |
| DSU           | 172,086                   | 66,391               |
| PSU           | 770,800                   | 112,500              |
| RSU           | 680,632                   | 75,000               |
| Stock options | 448,376                   | 700,112              |
|               | <b>2,071,894</b>          | <b>954,003</b>       |

## 18. Related parties

The Company's related parties include key management personnel and directors. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances payable are usually settled in cash and relate to director fees.

The Company had incurred no related party transactions and had no outstanding balance with related parties for the three month periods ended September 30, 2024 and 2023.

## 19. Segment disclosures

The Company operates as one operating segment in the development, manufacturing, distribution and support of voice and data connectivity components for software-based communication applications. The majority of the Company's assets are located in Canada and the United States of America ("USA"). The Company sells into two major geographic centers: USA and Others. The Company has determined that it has a single reportable segment as the Company's decision makers review information on a consolidated basis.

Revenues for group of similar products and services can be summarized for the three month periods ended September 30, 2024 and 2023 as follows:

# Sangoma Technologies Corporation

Notes to the condensed consolidated interim financial statements

For the three month periods ended September 30, 2024 and 2023

(Unaudited in thousands of US dollars, except per share data)

|                | Three month periods ended |                      |
|----------------|---------------------------|----------------------|
|                | September 30<br>2024      | September 30<br>2023 |
|                | \$                        | \$                   |
| Products       | 10,457                    | 11,872               |
| Services       | 49,693                    | 51,156               |
| Total revenues | 60,150                    | 63,028               |

The sales in each of these geographic locations for the three month periods ended September 30, 2024 and 2023 as follows:

|                | Three month periods ended |                      |
|----------------|---------------------------|----------------------|
|                | September 30<br>2024      | September 30<br>2023 |
|                | \$                        | \$                   |
| USA            | 56,753                    | 58,693               |
| Others         | 3,397                     | 4,335                |
| Total revenues | 60,150                    | 63,028               |

The non-current assets, in US dollars, in each of the geographic locations as at September 30, 2024, and June 30, 2024 are below:

|                          | September 30<br>2024 | June 30,<br>2024 |
|--------------------------|----------------------|------------------|
|                          | \$                   | \$               |
| USA                      | 328,265              | 338,079          |
| Others                   | 5,122                | 5,457            |
| Total non-current assets | 333,387              | 343,536          |

Non-current assets included in Others primarily consists of assets held in Canada.

## 20. Authorization of the consolidated financial statements

The condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on November 6, 2024.