



# Sangoma

May 2024 Investor Slides



# Disclaimer

## General

This presentation is property of Sangoma Technologies Corporation (the “Company”, “Sangoma”, “us” or “we”). It cannot be circulated or forwarded without our consent. Any graphs, tables or other information demonstrating our historical performance or that of any other entity contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of our future performance. The information contained in this presentation is accurate only as of the date of this presentation or the date indicated. No securities regulatory authority has expressed an opinion about the securities described herein and it is an offence to claim otherwise. This presentation also contains statistical data and estimates made by independent parties and by us relating to market size, opportunity and growth, as well as other data about our industry, business and customers. This data involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of this data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. All service marks, trademarks and trade names appearing in this presentation are the property of their respective owners. Solely for convenience, the trademarks and tradenames referred to in this presentation appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. All references in this presentation to dollars or “\$” are to United States dollars. All references to “C\$” are to Canadian dollars.

## Cautionary Note Regarding Forward-Looking Information

This presentation contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include, but are not limited to, statements relating to expectations of revenue and Adjusted EBITDA, statements relating to expected inventory levels, statements relating to future lease and interest payments, statements relating to the impact of the continuing COVID-19 pandemic, statements concerning estimates of expected expenditures, statements relating to expected future production and cash flows, and other statements which are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions indicate forward-looking statements. Although Sangoma believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other events contemplated by the forward-looking statements will not occur. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct as these expectations are inherently subject to business, economic and competitive uncertainties and contingencies. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to, risks and uncertainties associated with changes in exchange rate between the Canadian dollar and other currencies (in particular the US dollar), changes in technology, changes in the business climate, changes to macroeconomic conditions, including (i) inflationary pressures and potential recessionary conditions, as well as actions taken by central banks and regulators across the world in an attempt to reduce, curtail and address such pressures and conditions, including any increases in interest rates, and (ii) the effects of adverse developments at financial institutions, including bank failures, that impact general sentiment regarding the stability and liquidity of banks, and the resulting impact on the stability of the global financial markets at large, risks related to the COVID-19 (coronavirus) pandemic and any resurgence thereof, our ability to identify and remediate material weaknesses and significant deficiencies in our internal controls, changes in the regulatory environment, the imposition of tariffs, the decline in the importance of the PSTN (as hereinafter defined), impairment of goodwill and new competitive pressures, and acts of terrorism and war, hostilities and conflicts, including, but not limited to, Russia’s invasion of Ukraine and the current conflict between Israel and Gaza (and associated changes in global trade policies and economic sanctions), and the other risk factors described in our most recently filed Annual Information Form for the fiscal year ended June 30, 2023. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by law.

## Non-IFRS Measures and Industry Metrics

This presentation makes reference to non-IFRS measures, including “Adjusted EBITDA” and other key performance indicators used by management and typically used by our competitors in the industry. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and key performance metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures, including industry metrics, in the evaluation of companies in our industry. Management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. Refer to the Appendix to this presentation for reconciliations of certain non-IFRS measures to the most comparable IFRS measure.



# We Simplify Essential IT Communications for Small & Mid-market Business



**Voice**



**Video**



**Data**



**Security &  
Connectivity**

**Tailored Solutions with a Single-Vendor Approach**

# Sangoma at a Glance

**2.6M**

UC Seats

**100K**

Customers

**650+**

Employees

**9 Years**

Gartner®  
Magic Quadrant™

**\$250M**

TTM Revenue<sup>1</sup>

**82%**

Recurring  
Revenue<sup>1</sup>

**0.9%**

Customer Churn<sup>2</sup>

**\$43M**

TTM Net Cash  
Generated from  
Operating Activities<sup>1</sup>

1. As of March 31, 2024

2. See the definition of “Churn” under “Non-IFRS Measures and Industry Metrics”.

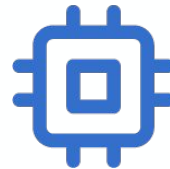


# We Provide the Widest Set of Solutions In the Industry

## Culture of Innovation & Support



Cloud-Based SaaS



Equipment



Services

Bundles

À la carte

Wholesale

+ Deep Engineering Skills

+Proprietary Technology

+ Sophisticated Support  
System

More Choice

Lower Total Cost of  
Ownership

Increased Innovation





# Aligned to Meet the Needs of the Small & Mid-Market

The SMB market accounts for **44%** of all IT spending

SMB IT spend on Unified Communications was expected to be **US\$33B in 2023**

## Small Market

Less Than 500 Employees

- Component Buying
- Minimal SLA
- Low Pricing
- Minimal Management
- No Dedicated IT Team

## Mid-Market

500 to 5,000 Employees

- Single Vendor Requirement
- Modest SLA
- Lower Total Cost of Ownership
- Management Required
- Reliant on Vendor Expertise

Components

À la carte

Bundled

Tailored

**Our Clients Want an Enterprise-Experience without an Enterprise Price**



# Diverse Customer Base Across Private & Public Sectors

## 100,000+

Customers today

## Differentiated Service Model:

Differentiated Service Model: Uniquely positioned to serve both the increasingly sophisticated mid-market and single component buying small market with industry relevant solutions.

### SMB



### Mid-Enterprise



### Education



### Multi-Location Healthcare



### Multi-Location Enterprise



The Container Store



# Customer Profile: A Story of Growth & Efficiency

As a major U.S. restaurant chain expanded to over 150 locations, it faced the challenge of requiring robust communication and network solutions despite having limited IT resources.

**\$55K+**  
MRR

## Initial Success

Started with 900+ seats of Sangoma's in-house voice solution, followed by modernizing their outdated fibre optic lines with broadband.

## Growth

Enhanced system's connectivity and security capabilities with SD-WAN, VPN and managed security.

## Ongoing Innovation

To increase connectivity reach for challenging locations, expanding with managed 5G and Wi-Fi access points.

## Reduced Costs by Streamlining Operations & Scaled Quickly Across the Country

- **Operational Efficiency:** Reliable and scalable voice, data, connectivity and security solutions reduced complexity and overhead.
- **Enhanced Supply Chain Scalability & Monitoring:** The chain quickly scaled to 150 locations, updating old infrastructure and expanding into remote sites with enhanced speeds and centralized monitoring.

*"Sangoma's success team has set the bar for all vendors; no one has come close to the level of support they provide." – Support Analyst*

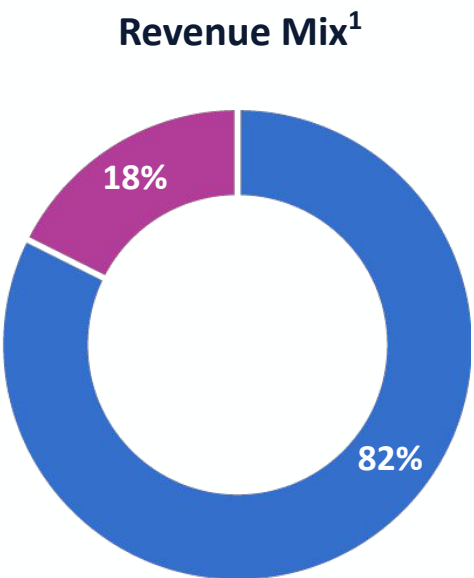
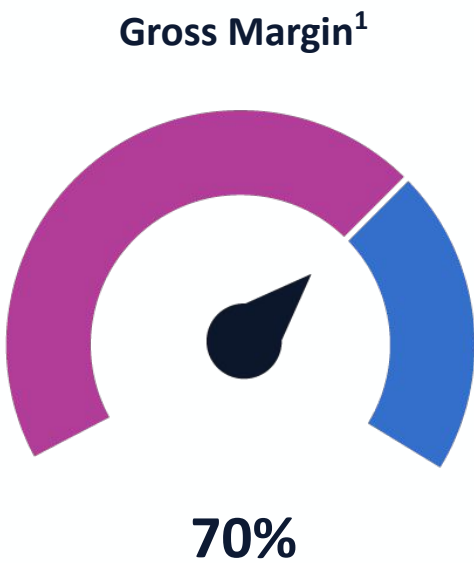
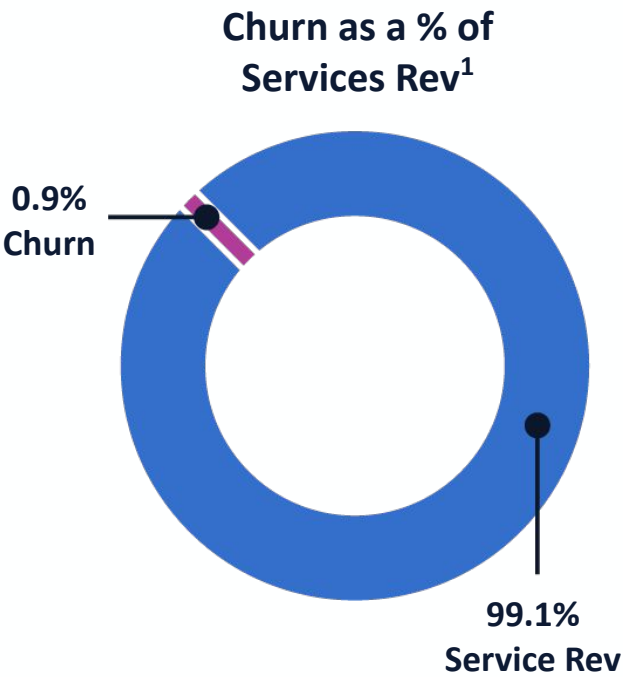




# Industry-low Churn Rates Validate Customer Value Proposition

2.6M  
UC seats

100K+  
Customers



Sticky Customers & Steady Recurring Revenue  
Mix with Sustained Strong Gross Margins



1. For the three months ended March 31, 2024

# Deep Partner Ecosystem Provides Global Reach

## Best for Sangoma

- Highly flexible toolbox of solutions
- Broad coverage services multi-site, multi-country businesses
- Enhanced reach and larger deal creation

## Best for Partners

- Best-in-class support
- Continued innovation
- Rewards and financial incentives

**Channel Accounts for 73% of IT Spending Worldwide<sup>1</sup>**

Industry-leading Partner Program

**1,100+ Partners**



# Inward Focus:

## Strengthening Our Operations [Project Diamond]

Focus on digital transformation, consolidation, and modernization:

- Refine CRM to add efficiency, transparency and collaboration
- Enhance RevOps / Marketing automation platform
- Move to comprehensive ERP to support market expansion and new channels
- Updated brand messaging for our partners and end clients
- Driving a more efficient cost structure



**Building ONE Sangoma**

# Outward Focus: Strengthening Our Operations [Project Diamond]

## Focus On Continued Innovation

- Investing in AI, Cyber, & NetOps Communications Solutions

**17%**

of our revenue is invested in R&D<sup>1</sup>

## Identifying High Quality Partners & New Routes to Market

- Drive pull-strategy to end-clients to increase inward demand
- Ensure a seamless customer experience across all of Sangoma's digital assets
- Direct channel marketing to high quality partners

## The Foundation for Our Growth Engine



1. For the three months ended March 31, 2024

# A Clear Path to Growth

## 3 Vectors

# Pivoting to Growth – Focus Areas



## Organic

- Leveraging Industry Bundles
- Innovation and R&D  
Investments focused on Strategic GTM Offerings / Tactics
- Empowering and Streamlining Existing Channels



## Expansion

- New offerings – Sangoma Security
- New models – MDU, others
- New Channels – SIs, Telcos
- Geographic expansion into new regions (Canada, EMEA)



## Inorganic

- Ability to leverage cash flow position to acquire key capabilities that align with strategic direction



# Inorganic Growth: Mergers, Acquisitions, & Strategic Partnerships

- Consistent track record of sustained profitability through M&A integration
- Inorganic growth through mergers, acquisitions, and strategic partnerships will accelerate our expansion and diversification efforts

## Our Targets

- New technologies & talents
- Access to new markets

Fostering Contained Innovation & Efficiency



11  
Acquisitions To Date

# Highly Experienced Management Team Delivers Results



**Charles Salameh**  
Chief Executive Officer

- Previously Global Head of Account Expansion at Infosys responsible for managing a \$18.2B book of business
- Formerly at Bell Canada, Nortel Networks, HP and DXV



**Larry Stock**  
Chief Financial Officer

- Previously CFO at Star2Star
- Formerly at Jabil for 22 years holding a number of executive leadership roles



**Jeremy Wubs**  
Chief Operating Officer

- Previously SVP of Product, Marketing and Professional Services at Bell Canada where he managed a multi-billion dollar P&L



**Sam Reburn**  
Chief Legal Officer

- Previously General Counsel at Docebo Inc., a TSX and Nasdaq dual listed SaaS company and formerly at Goodmans LLP

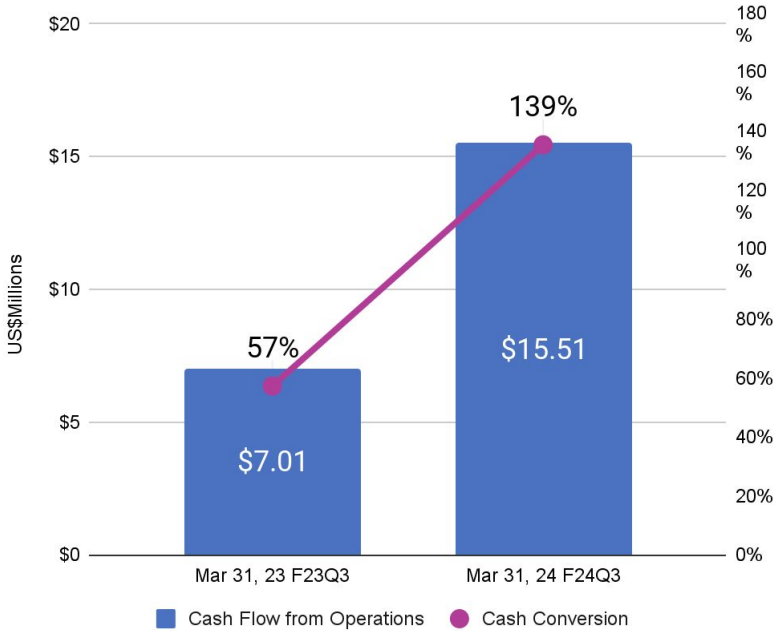
**Industry Veterans Specialized in Operations,  
Technology, Finance, Marketing & Sales**

# Fiscal Foundational Strength

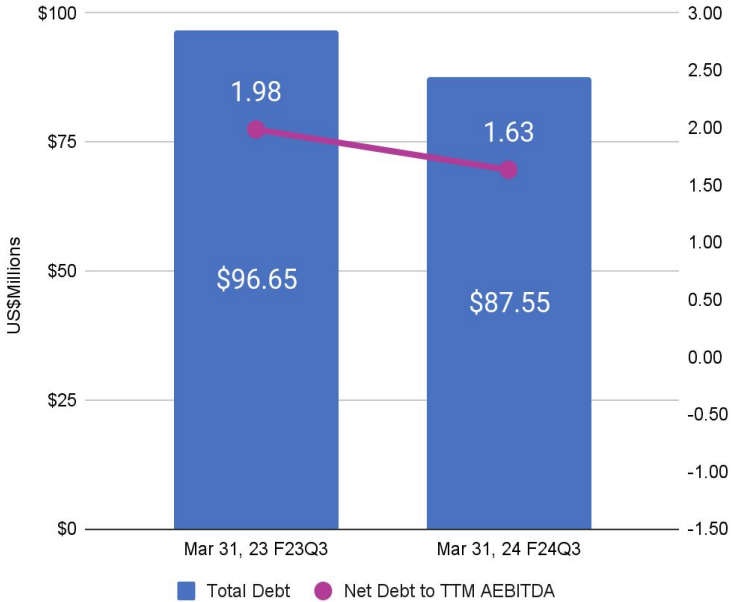
On track for FY24 savings of \$6.2M

Annualized cost savings of \$9.1M

Cash Flow



Total Debt

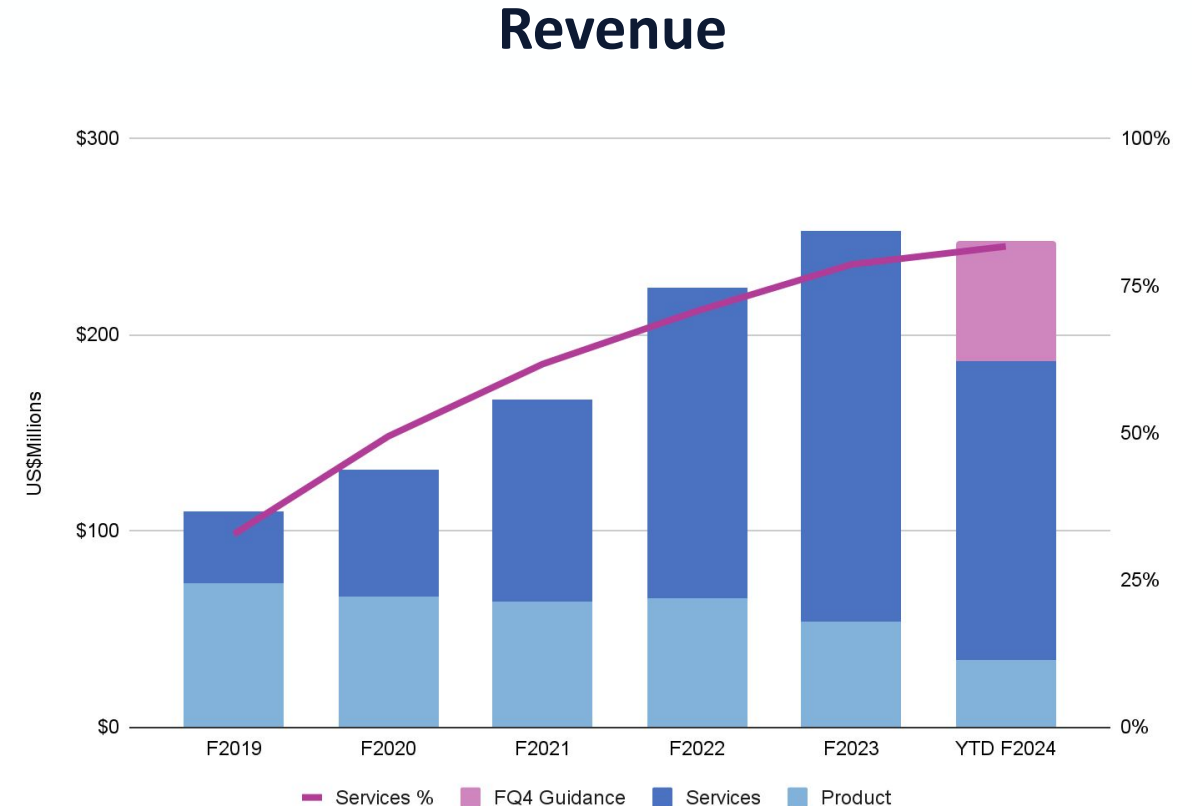


Steady Cash Flow Generation & Debt Reduction  
Provides Optionality to Drive Value Creation



# Stable Recurring Revenue Base

- Top line driven by industry-best product breadth serving the evolving needs of the SMB market
- Significant opportunity to leverage large SIs, carriers, hyperscalers, and national partners
- Improve Services revenue marketability through more effective bundling and white-label solutions

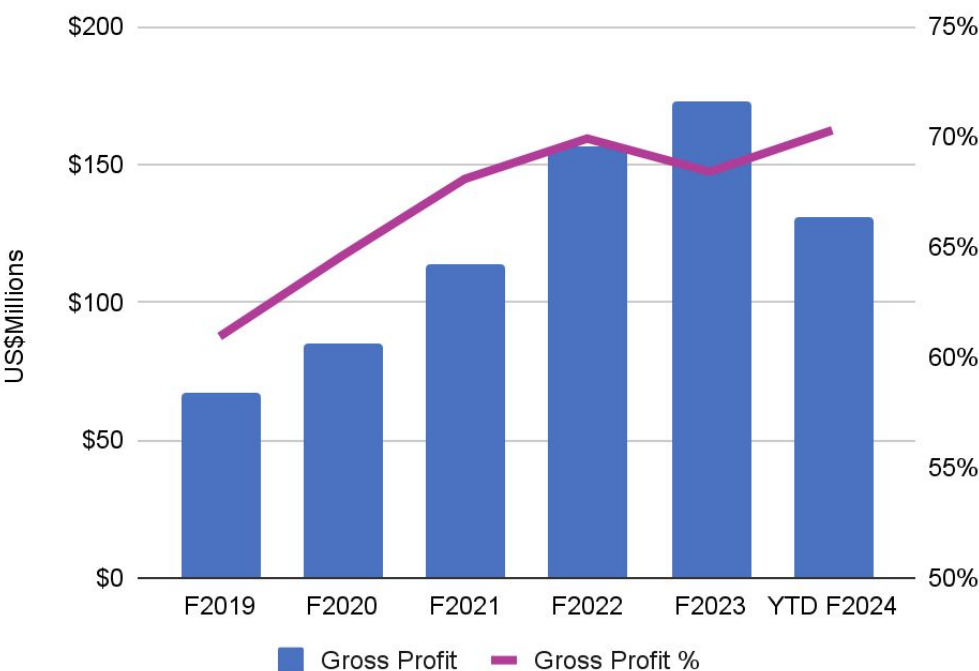


**Product Sales Support High Margin  
Recurring Services & Higher LTV**

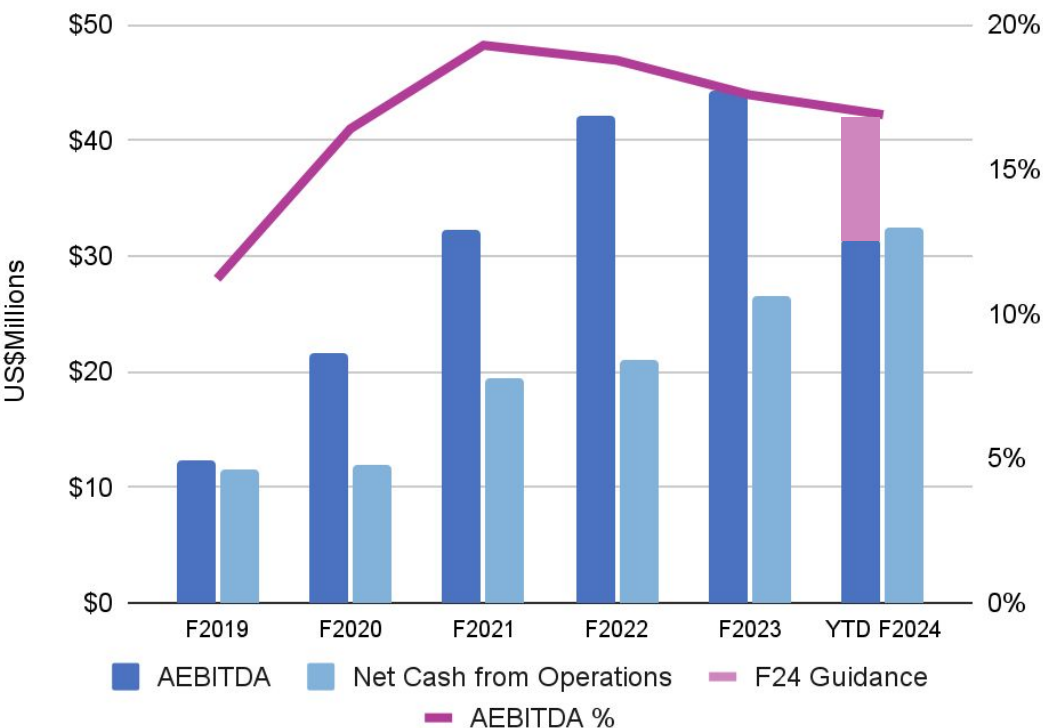


# Strong Profitability

## Gross Profit



## Adj. EBITDA<sup>1</sup>



**Consistent Track Record of Sustained Profitability Through M&A Integration**



1. Adj. EBITDA is a non-IFRS Measure. See "Non-IFRS Measures and Industry Metrics" in the disclaimer and to the Appendix of this presentation for a reconciliation to an IFRS measure

# Financial Highlights

**33.3M**

Shares Outstanding

**\$6.11**

Share Price CAD<sup>1</sup>

**\$4.53**

Share Price USD<sup>1</sup>

**US\$220M**

Enterprise Value (EV)

**5.2X**

EV to TTM AEBITDA<sup>1,2</sup>

**1.63X**

Net Debt to TTM AEBITDA<sup>2</sup>

**0.60X**

Price to TTM Sales Ratio<sup>1,2</sup>

**0.69X**

Price to EV Ratio<sup>1,2</sup>

1. Price at close of 05/09/24

2. As of March 31, 2024







We simplify essential IT communications  
for small and mid-market business



Steady cash flow generation provides  
optionality to drive value creation



We have a clear path to growth



We embody optionality

# Appendix

# Non-IFRS Measures and Industry Metrics

**“Adjusted EBITDA”** means earnings before income taxes, interest expense (net), share-based compensation, depreciation (including for right-of-use assets), amortization, restructuring and business integration costs, goodwill impairment and change in fair value of consideration payable. Adjusted EBITDA is a measure used by many investors to compare issuers.

**“Churn”** The Company calculates churn by dividing the dollar value of customer cancellations during a month by the total dollar value at the end of the month before cancellations. The information is presented as the average monthly churn rate during the period. The Company believes that the churn rate is useful supplemental information as it provides an indication of future revenue decline and is a measure of how well the business is able to renew and keep existing customers on their existing service offerings. Churn is not a recognized measure under IFRS and, accordingly, investors are cautioned in using it. Sangoma's method of calculating churn and churn rate may differ from other issuers and, accordingly, churn may not be comparable to similar measures presented by other issuers.

# Adjusted EBITDA Reconciliations

The IFRS measure most directly comparable to Adjusted EBITDA presented in our financial statements is net loss.

	F2019	F2020	F2021	F2022	F2023	F2024 YTD
Net Loss	1,740	2,631	(1,566)	(110,780)	(29,026)	(6,951)
Tax	(479)	(298)	3,177	6,390	(2,932)	(1,186)
Interest expense (net)	388	691	1,069	3,863	6,767	5,175
Share-based compensation	263	76	3,515	9,929	3,100	2,282
Depreciation of property and equipment	117	210	535	3,152	4,729	3,292
Depreciation of right-of-use assets	--	988	922	3,308	3,778	2,206
Amortization on intangibles	1,044	1,903	9,463	31,609	33,932	24,974
Business acquisition costs	165	(17)	145	2,939	-	-
Restructuring and business integration costs	(72)	-	-	1,222	2,710	1,491
Exchange listing expense	-	-	-	1,051	-	-
Federal compliance cost relating to prior year position	-	-	-	-	1,804	-
Gain on change in fair value of consideration payable	-	-	(5,165)	(2,254)	(2,975)	202
Goodwill Impairment	-	-	-	91,695	22,507	-
<b>Adjusted EBITDA</b>	<b>4,124</b>	<b>6,184</b>	<b>12,095</b>	<b>42,124</b>	<b>44,394</b>	<b>31,485</b>

