SANGOMA TECHNOLOGIES CORPORATION

Consolidated financial statements for the

years ended June 30, 2026 and 2025

(in thousands of US dollars)

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Canada M5H 2S7

Sangoma Technologies Corporation

Fiscal year ended June 30, 2026 and 2025

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Sangoma Technologies Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Sangoma Technologies Corporation (and subsidiaries) (the Company) as of June 30, 2026 and 2025, the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2026 and 2025, and its financial performance and its cash flows for each of the years then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

KPMG

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We have served as the Company's auditor since 2022.

Vaughan, Canada

September 28, 2026

Sangoma Technologies Corporation

Consolidated statements of financial position

As at June 30, 2026, and June 30, 2025

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

	Note	**June 30 2026**	June 30 2025
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**10,431**	13,494
Trade and other receivables	4	**11,305**	15,131
Inventories	6	**4,762**	8,227
Sales tax receivable		**837**	231
Income tax receivable		**1,225**	484
Contract assets		**1,046**	1,172
Derivative assets	14	**64**	254
Other current assets		**4,043**	3,629
		33,713	42,622
Non-current assets			
Property and equipment	7	**4,797**	6,433
Right-of-use assets	8	**5,909**	7,215
Intangible assets	9	**59,012**	91,124
Development costs	10	**8,235**	8,438
Deferred income tax assets	11	**3,707**	1,711
Goodwill	12	**118,446**	186,840
Contract assets		**1,273**	1,752
Derivative assets	14	**—**	41
Other non-current assets		**419**	369
		235,511	346,545
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4,	**14,557**	15,552
Provisions	13	**142**	172
Sales tax payable		**1,365**	4,012
Income tax payable		**382**	647
Operating facility and loans	14	**18,412**	20,600
Contract liabilities	15	**6,711**	7,037
Lease obligations on right-of-use assets	8	**1,570**	1,456
		43,139	49,476
Long term liabilities			
Operating facility and loans	14	**8,888**	27,300
Contract liabilities	15	**1,894**	2,695
Non-current lease obligations on right-of-use assets	8	**5,308**	6,752
Deferred income tax liabilities	11	**—**	4,297
Other non-current liabilities		**1,628**	1,830
		60,857	92,350
Shareholders' equity			
Share capital		**380,859**	380,126
Contributed surplus		**21,822**	20,949
Accumulated other comprehensive income		**12**	65
Accumulated deficit		**(228,039)**	(146,945)
		174,654	254,195
		235,511	346,545

Subsequent events (Note 20)

Approved by the Board

(Signed) Al Guarino Director

(Signed) Allan Brett Director

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

Sangoma Technologies Corporation

Consolidated statements of loss and comprehensive loss

For the years ended June 30, 2026 and 2025

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

	Note	**June 30 2026**	June 30 2025
		$	$
Revenue	18	**200,065**	236,692
Cost of sales		**56,402**	74,943
Inventory write-down	6	**3,000**	—
Gross profit		**140,663**	161,749
Expenses			
Sales and marketing		**48,866**	50,974
Research and development	10	**42,904**	42,149
General and administration		**30,406**	37,129
Amortization of intangible assets	9	**32,112**	32,768
Interest expense (net)	4, 8 ,14	**2,024**	4,012
Restructuring and business integration costs		**2,506**	961
Goodwill impairment	12	**68,394**	—
Loss on sale, divestiture of subsidiary	19	**—**	99
Loss before income tax		**(86,549)**	(6,343)
Provision for income taxes			
Current	11	**563**	3,853
Deferred	11	**(6,018)**	(5,186)
Net loss		**(81,094)**	(5,010)
Other comprehensive loss			
Items to be reclassified to net loss			
Loss in fair value of interest rate swaps, net of tax	11,14	**(173)**	(561)
Foreign currency translation gain		**120**	—
Comprehensive loss		**(81,147)**	(5,571)
Loss per share			
Basic and diluted	16(iii)	**$(2.44)**	$(0.15)
Weighted average number of shares outstanding			
Basic and diluted	16(iii)	**33,244,861**	33,497,223

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

Sangoma Technologies Corporation

Consolidated statements of changes in shareholders' equity

For the years ended June 30, 2026 and 2025

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

	Note	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive earnings	Retained earnings (accumulated deficit)	Total shareholders' equity
		#	$	$	$	$	$
Balance, July 1, 2024		33,340,159	380,986	20,053	626	(141,935)	259,730
Net loss		—	—	—	—	(5,010)	(5,010)
Change in fair value of interest rate swaps, net of tax	11, 14	—	—	—	(561)	—	(561)
Common shares issued for RSU exercised	16(i),16(ii)	362,492	2,012	(2,012)	—	—	—
Common shares purchased and cancelled, net of tax	4	(439,741)	(2,872)	—	—	—	(2,872)
Share-based compensation expense	16(ii)	—	—	2,908	—	—	2,908
Balance at June 30, 2025		**33,262,910**	**380,126**	**20,949**	**65**	**(146,945)**	**254,195**
Net loss		—	—	—	—	(81,094)	(81,094)
Change in fair value of interest rate swaps, net of tax	11, 14	—	—	—	(173)	—	(173)
Change in cumulative impact of foreign currency		—	—	—	120	—	120
Common shares issued under employee share purchase plan	16(i)	29,650	157	(9)	—	—	148
Common shares issued for RSU exercised	16(i),16(ii)	317,066	1,604	(1,604)	—	—	—
Common shares purchased and cancelled, net of tax	16(i)	(270,694)	(1,028)	—	—	—	(1,028)
Share-based compensation expense	16(ii)	—	—	2,486	—	—	2,486
Balance at June 30, 2026		**33,338,932**	**380,859**	**21,822**	**12**	**(228,039)**	**174,654**

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

Sangoma Technologies Corporation

Consolidated statements of cash flows

For the years ended June 30, 2026 and 2025

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

	Note	**June 30 2026**	June 30 2025
Operating activities		**$**	$
Net loss		**(81,094)**	(5,010)
Adjustments for:			
Depreciation of property and equipment	7	**3,250**	4,066
Depreciation of right-of-use assets	8	**1,508**	2,564
Amortization of intangible assets	9	**32,112**	32,768
Amortization of development costs	10	**6,147**	5,646
Income tax recovery	11	**(5,455)**	(1,333)
Income tax paid		**(1,381)**	(2,325)
Share-based compensation expense	16(ii)	**2,486**	2,908
Unrealized foreign exchange gain (loss)		**15**	(50)
Goodwill impairment	12,19	**68,394**	—
Accretion expense	8	**225**	301
Loss on disposal of property and equipment	7	**170**	220
Loss on sale, divestiture of subsidiary	20	**—**	99
Changes in working capital			
Trade and other receivables		**(674)**	5,822
Inventories		**3,465**	3,651
Sales tax receivable		**(606)**	254
Contract assets		**605**	973
Other assets		**(464)**	197
Sales tax payable		**(2,647)**	(1,920)
Accounts payable and accrued liabilities		**(995)**	(4,581)
Provisions		**(30)**	(233)
Other non current liabilities		**(202)**	691
Contract liabilities		**(1,127)**	(2,922)
Net cash provided by operating activities		**23,702**	41,786
Investing activities			
Purchase of property and equipment	7	**(1,784)**	(2,391)
Development costs	10	**(6,246)**	(6,448)
Proceeds from sale of VoIP Supply LLC	19	**4,500**	—
Net cash flows used in investing activities		**(3,530)**	(8,839)
Financing activities			
Repayments of operating facility and loan	14	**(20,600)**	(29,925)
Repayment of lease obligations on right-of-use assets	8	**(1,755)**	(2,924)
Common shares issued under employee share purchase plan	16(i)	**148**	—
Common shares purchased and canceled	16(i)	**(1,028)**	(2,835)
Net cash flows used in financing activities		**(23,235)**	(35,684)
Decrease in cash and cash equivalents		**(3,063)**	(2,737)
Cash and cash equivalents, beginning of the year		**13,494**	16,231
Cash and cash equivalents, end of the year		**10,431**	13,494

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

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, and its legal name is Sangoma Technologies Corporation. Its primary operating subsidiaries as of June 30, 2026 are Sangoma Technologies Inc., and Sangoma US Inc.. As a result of the reorganization activities completed during fiscal 2025, Sangoma US Inc. is now the single operating subsidiary in the United States of America responsible for all businesses in the United States. On June 30, 2025, Sangoma US Inc. also completed the sale of its wholly-owned subsidiary, VoIP Supply LLC (note **19**), to PVG Technology Holdings, LLC. As a result of these transactions, Sangoma US Inc. now directly holds all remaining active U.S. operations.

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 Bay-Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7 and the Company operates in multiple jurisdictions.

2. Significant accounting policies

(i) Statement of compliance and basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(ii) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Sangoma Technologies Inc. (Canada), Sangoma Technologies Ltd. (Ireland), Sangoma Technologies Private Ltd. (India), Sangoma US Inc. (United States), NetFortris Operating Co. Inc. (United States), Fonality Pty Ltd. (Australia), NetFortris (Philippines) Inc. (Philippines), and Sangoma Columbia S.A.S. (Columbia).

Subsidiaries are entities controlled by the Company where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances, transactions, income and expenses have been eliminated on consolidation.

(iii) Financial instruments

Non-Derivative Financial Assets

<u>Recognition and initial measurement</u>

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash and cash equivalents, trade receivables, contract assets and other current assets.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are related to payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss.

All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets mandatorily measured at fair value through profit or loss.

- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

Classification and subsequent measurement

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the

Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment of Financial Assets

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants.

For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Non-Derivative Financial Liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Derivative Financial Liabilities

The Company holds interest rate swaps to hedge its interest rate risk exposures on the variable-interest credit arrangement. At the inception of the hedging relationship, there is formal designation and documentation prepared by the Company of the hedging relationship between the hedging instruments and hedged items and the risk management objective and strategy for undertaking the hedge including how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements. The Company assesses at the inception of the hedging relationship, and on ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements.

Recognition and initial measurement

The Company recognizes interest rate swaps at fair value initially; attributable transaction costs are recognized in comprehensive loss as incurred.

Classification and subsequent measurement

Subsequent to initial recognition, interest rate swaps are measured at fair value and the effective portion of changes in fair value of the derivative that is designated and meets the definition of the hedge is recognized in accumulated other comprehensive loss. The amount recognized in other comprehensive loss is removed and included in earnings in the same period as the hedged cash flows affect earnings under the same line item in the consolidated statements of comprehensive loss as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in earnings.

(iv) Inventories

Parts and finished goods are stated at the lower of cost and net realizable value. Inventory cost includes all expenses directly attributable to the manufacturing process, which include the cost of materials. Costs of ordinary interchangeable items are assigned using weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(v) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of loss and comprehensive loss during the period in which they are incurred.

Depreciation is calculated on a straight-line basis for all classes of property and equipment over their useful life as outlined below:

Leasehold improvements, tradeshow equipment, and software	5 years
Office furniture and computer equipment	3 - 5 years
Stockroom and production equipment	3 - 7 years

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted, if required.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statements of loss and comprehensive loss.

(vi) Leases

At commencement of the contract, the Company evaluates if the contract is a lease based on whether the contract conveys the right to control the use of a specific asset for a period of time in exchange for a consideration. To determine whether the contract results in right of control, the Company assesses whether it has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Once the Company has determined that the contract conveys the right to control the use of the asset, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The asset is initially measured at cost which comprises of the lease liability, lease payments made at or before the commencement date less any lease incentives. Subsequently the asset is measured at net carrying value, which is cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the future lease payments discounted using the Company's incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Company applies recognition exemptions for short-term leases (leases with term less than 12 months) and low-dollar value leases.

The Company leases properties which make up the entire right-of-use asset and lease liability balances.

(vii) Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the following periods:

Purchased technology	6 - 10 years
Customer relationships	3 - 10 years
Brand	6 - 10 years
Other purchased intangibles	3 - 10 years

Amortization expense is shown as a separate line item on the consolidated statements of loss and comprehensive loss.

The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis. These assets are subject to impairment testing as described below in Note 2(xviii).

(viii) Revenue recognision

The Company derives its revenues primarily from services and subscriptions, sale of products, and professional services. Revenues are recognized when control of these services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for products and services.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company recognizes revenues as follows:

Product revenue

Product revenue primarily includes revenue generated from sale of pre-configured phones, connectivity hardware and professional implementation services. Revenue is recognized upon transfer of control to the customer which is generally upon shipment from the Company's warehouse.

Services revenue

Services revenue is generated from fees that provide customers access to one or more of the Company's software applications and related services and the rental for the hardware required to deliver these services. These arrangements have contractual terms typically ranging from one month to seven years and include recurring fixed fee subscription fees, variable usage-based fees for usage in excess of plan limits, one-time fees, recurring license and other fees, derived from sales through our direct and indirect sales channels, including resellers and distributors. Arrangements with customers do not provide the customer with the right to take possession of the Company's software at any time. Instead, customers are granted continuous access to the services over the contractual period. The Company transfers control evenly over the contractual period by providing stand-ready service. Accordingly, the fixed consideration related to subscription is recognized over time on a straight-line basis over the contract term beginning on the date the Company's service is made available to the customer. The Company may offer from time to time its customers, services for no consideration during the initial months. Such discounts are recognized ratably over the term of the contract.

Fees for additional minutes of usage in excess of plan limits are deemed to be variable consideration that meet the allocation exception for variable consideration as they are specific to the month that the usage occurs.

The Company's subscription contracts typically allow the customers to terminate their services within the first 30 days and receive a refund for any amounts paid for the remaining contract period. After the end of the termination period, the contract is non-cancellable and the customer is obligated to pay for the remaining term of the contract. Accordingly, the Company considers the non-cancellable term of the contract to begin after the expiration of the 30 day termination period.

The Company records reductions to revenue for estimated sales returns and customer credits at the time the related revenue is recognized. Sales returns and customer credits are estimated based on the Company's historical experience, current trends and the Company's expectations regarding future experience. The Company monitors the accuracy of its sales reserve estimates by reviewing actual returns and credits and adjusts them for its future expectations to determine the adequacy of its current and future reserve needs. If actual future returns and credits differ from past experience, additional reserves may be required.

Principal vs. Agent

A portion of the Company's revenues are generated through sales by resellers who offer add-ons which may not be controlled by the Company prior to transfer to the customer. The Company does not recognize any revenue for these add-ons.

However, when the Company controls the performance of these contractual obligations prior to the delivery to the customer, it records these revenues at the gross amount paid by the customer with amounts retained by the resellers recognized as sales and marketing expenses. The Company assesses control of goods or services when it is primarily responsible for fulfilling the promise to provide the good or service, has inventory risk and has discretion in establishing the price.

(ix) Cost of sales

Cost of product sales includes the cost of finished goods inventory and costs related to shipping and handling. Cost of service sales include cost of delivery of service, third party carrier charges, data center and software licenses.

(x) Foreign currency

The Company and all of its significant wholly-owned operating subsidiaries are measured in US dollar as the functional currency. Transactions in currencies other than USD are initially recorded in US dollars by applying the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in other than US dollar are revaluated at the foreign exchange rate at the reporting date. Foreign exchange differences arising on translation are recognized in the consolidated statement of loss and comprehensive loss.

(xi) Interest income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on the basis of time that has passed, by reference to the principal outstanding and at the effective interest rate applicable.

(xii) Share-based payments

The Company has multiple components of its equity incentive plan including stock options, Deferred Share Units ("DSUs"), Performance Share Units (PSUs), and Restricted Share Units ("RSUs"). The Company uses the fair value based methods to measure share-based compensation for all share-based awards made to employees and directors. The grant date fair value of equity-settled share-based payments awards granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards.

Under the Legacy Plan (as defined in note 16(ii)), the Company grants stock options to its employees. Stock options vest over and expire after various periods of time. The general vesting policy is 25% of the options vest on the first anniversary of the grant and the remainder vest in equal amounts every 3 months thereafter until the fourth anniversary of the commencement date. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Share-based compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

On December 13, 2022, the Company adopted the Omnibus Equity Incentive Plan (the "Plan"), which replaces the Legacy Plan. No further grants will be made under the Legacy Plan.

Under the Omnibus Plan, the Company may grant participants Options, Deferred Share Units (DSUs), Performance Share Units (PSUs), and Restricted Share Units (RSUs). The DSUs, PSUs, and RSUs 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 DSUs, PSUs, and RSUs 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.

PSUs vest in full at the end of a three-year period. For PSUs granted prior to fiscal 2024, the final amount's 50% is based 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 based on the fair value of the awards at the grant date using the Monte Carlo simulation for the market-based performance targets, and 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 from fiscal 2024, the final amount is based 100% on market-based performance targets.

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.

(xiii) Income taxes and deferred taxes

The income tax provision comprises current and deferred tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the asset is realized or liability is settled. Deferred tax assets are recognized for deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable the Company will have taxable loss against which those deductible temporary differences, unused tax losses and other income tax deductions can be utilized.

The extent to which deductible temporary differences, unused tax losses and other income tax deductions are expected to be realized is reassessed at the end of each reporting period.

In a business combination, temporary differences arise as a result of differences in the fair values of identifiable assets and liabilities acquired and their respective tax bases. Deferred tax assets and liabilities are recognized for the tax effects of these differences. Deferred tax assets and liabilities are not recognized for temporary differences arising from goodwill or from the initial recognition of assets and liabilities acquired in a transaction other than a business combination which do not affect either accounting or taxable income or loss.

(xiv) Research and development expenditures

The Company qualifies for certain investment tax credits related to its research and development activities in Canada. Research costs are expensed as incurred and are reduced by related investment tax credits, which are recognized when it is probable that they will be realized.

Costs that are directly attributable to the development phase of identified new products are recognized as intangible assets and amortized over a useful life of three years provided they meet the following recognition requirements:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.

- The Company intends to complete the intangible asset and use or sell it and also has the ability to use or sell it.
- The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits.
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting these criteria for capitalization are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs (if any). Internally generated software development costs recognized as intangible assets are subject to the same subsequent measurement method as externally acquired software licenses. These assets are subject to impairment testing as described below in Note 2(xviii).

Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss within “other income” or “other expenses”.

(xv) Foreign currency hedging

The Company periodically enters into forward foreign currency exchange contracts to hedge the cash flow risk associated with forecasted transactions in foreign currencies and foreign-currency denominated balances. The Company does not enter into derivative contracts for speculative purposes. The contracts, which have not been designated as hedges for accounting purposes, are marked to market each period. The resulting gain or loss is recorded as foreign currency exchange (gain) loss on the consolidated statements of loss and comprehensive loss. The Company does not hold any forward foreign currency exchange contracts as at June 30, 2026, and June 30, 2025.

(xvi) Investment tax credits

Investment tax credits (“ITCs”) are recognized where there is reasonable assurance that the ITCs will be received, and all attached conditions will be complied with. When the ITCs relates to an expense item, it is netted against the related expense. Where the ITCs relates to an asset, it reduces the carrying amount of the asset. The ITCs are then recognized as income over the useful life of a depreciable asset by way of a reduced depreciation charge. The Company is actively engaged in scientific research and development (“R&D”) and, accordingly, has previously filed for ITC refunds under both the Canadian federal and Ontario provincial Scientific Research and Experimental Development (“SR&ED”) tax incentive programs. The ITCs recorded in the accounts are based on management’s interpretation of the Income Tax Act of Canada, provisions which govern the eligibility of R&D costs. The claims are subject to review by the Canada Revenue Agency and the Minister of Revenue for Ontario before the refunds can be released.

(xvii) Goodwill

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Company’s share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses.

(xviii) Impairment testing of goodwill and long-lived assets

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating unit). The Company has one cash generating unit and intangible assets not yet available for use are tested for impairment at least annually. All other long-lived assets and finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell or value-in-use. To determine the value-in-use, management estimates expected future cash flows from the cash-generating unit and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors have been determined for the cash-generating unit and reflect its risk profile as assessed by management.

Impairment losses for the cash-generating unit reduce first the carrying amount of any goodwill allocated to that cash-generating unit, with any remaining impairment loss charged pro rata to the other assets in the cash-generating unit. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal or its value in use and zero. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired.

(xix) Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where material, provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(xx) Earnings per Share

Basic earnings per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similarly to basic earnings per share except that the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants. The average number of shares is calculated by assuming that outstanding conversions were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period.

(xxi) Business combinations

On the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value as of the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date. Incremental costs related to acquisitions are expensed as incurred. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9 Financial Instruments, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

(xxii) Upcoming accounting pronoucement - IFRS 18

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, which replaces IAS 1, Presentation of Financial Statements, and is effective for annual periods beginning on or after January 1, 2027. The Company intends to adopt IFRS 18 for its annual period beginning July 1, 2027, applied retrospectively, and does not intend to early adopt.

IFRS 18 requires all income and expenses in the statement of profit or loss to be classified into five defined categories: operating, investing, financing, income taxes, and discontinued operations. It also introduces disclosure requirements for management-defined performance measures ("MPMs"), being non-IFRS subtotals used in public communications outside the financial statements.

The Company is currently assessing the impact on its consolidated financial statements. Based on its preliminary review, certain line items — including interest expense (net), foreign currency exchange loss, loss on change in fair value of consideration payable, and loss on sale or divestiture of subsidiary — will require reclassification within the statement of loss. The full impact of adoption has not yet been quantified.

3. Significant accounting judgements, estimates and uncertainties

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the Company to make estimates include goodwill impairment testing and recoverability of long-lived assets, business combinations, income taxes, estimated useful life of long-lived assets, internally generated development costs, the fair value of share-based payments, provision for expected credit losses, inventory obsolescence, investment tax credits receivable, fair value of interest rate swaps, contract costs, and assets held for sale. These estimates and judgments are further discussed below:

(i) Goodwill impairment testing and recoverability of long-lived assets

Goodwill and long-lived assets are reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value to its recoverable amount. The determination of the recoverable amount is subject to significant estimates related to the cash flows used in the model. The recoverable amounts of the cash-generating unit was estimated based on an assessment of fair value less cost of disposal (FVLCD) using a discounted cash flow approach. The approach uses cash flow projections based upon a financial forecast approved by management, covering a five-year period. Cash flows for the terminal period for fair value less costs to sell is determined using an exit multiple. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ or change quickly, depending on economic conditions and other events.

(ii) Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

(iii) Income taxes

At the end of each reporting period, the Company assesses whether the realization of deferred tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realized from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize deferred tax benefits.

The Company's effective income tax rate can vary significantly period-to-period for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilized.

(iv) Estimated useful lives of long-lived assets

Management reviews useful lives of depreciable assets at each reporting date. Management assessed that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

(v) Internally generated development costs

Management monitors the progress of internal research and development projects and uses judgment to distinguish research from the development phase. Expenditures during the research phase are expensed as incurred. Development costs are recognized as an intangible asset when the Company can demonstrate certain criteria listed in Note 2(xiv). Otherwise, research and development costs are expensed as incurred.

(vi) Fair value of share-based payments

The fair value of all share-based payments granted are determined using the Black-Scholes option pricing model and Monte Carlo simulation which incorporates assumptions regarding risk-free interest rates, dividend yield, expected volatility, estimated forfeitures, and the expected life of the options. The Company has a significant number of share-based awards outstanding and expects to continue to make grants.

(vii) Provision for expected credit losses ("ECLs")

The Company is exposed to credit risk associated with its trade receivables. This risk is reduced by having customers' trade receivables insured by Export Development Canada ("EDC") wherever possible. Management reviews the trade receivables at each reporting date in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

(viii) Inventory obsolescence

Inventory consists of parts and finished goods recorded at the lower of cost and net realizable value. Its value is reviewed at each reporting period. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage or slow movement. Actual net realizable value can vary from the estimated provision.

(ix) Investment tax credits receivable

Investment tax credits are recorded based on management's estimate that all conditions attached to its receipt have been met. The Company has significant investment tax credits receivable and expects to continue to apply for future tax credits as their research and development activities remain applicable.

(x) Fair value of interest rate swaps

The estimated fair values of derivative instruments resulting in financial assets and liabilities, by their very nature, are subject to measurement uncertainty. The Company determines the fair value of interest rate swaps based on the present value of projected future cash flows using the implied zero-coupon forward swap yield curve. The change in the difference between the discounted cash flow streams for the hedged item and the hedging item is deemed to be hedge ineffectiveness and is recorded in the consolidated statements of loss and comprehensive loss. The fair value of the interest rate swap is based on forward yield curves, which are observable inputs provided by banks and available in other public data sources and are classified within Level 2.

(xi) Contract costs

Contract costs include customer acquisition costs, which consist primarily of sales commissions paid to sales personnel. These costs are deferred as a contract cost asset as they are considered to be incremental costs incurred to obtain a customer contract and amortized on a straight-line basis over a period consistent with the pattern of transfer of the products and services to which the asset relate, including specifically identifiable expected renewals. The Company has determined this to be an average of 4.2 years. The Company uses judgment to determine the period of benefit by taking into consideration its customer contracts and customer life, life of its revenue generating platform technology and other factors.

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.

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

Cash and cash equivalents are comprised of:

	June 30 2026	June 30 2025
	$	$
Cash at bank and on hand	**10,431**	13,494

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 June 30, 2026 and June 30, 2025 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:

The Company earns interest income from its liquidable money market deposit account to generate steady cash flows and to manage liquidity. The interest rate on the account is variable based on prevailing market rate.

	Note	**June 30 2026**	June 30 2025
		$	$
Interest income		**(365)**	(242)
Interest expense	14	**2,164**	3,953
Accretion expense	8	**225**	301
Interest expense (net)		**2,024**	4,012

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.

	Note	**June 30 2026**	June 30 2025
		$	$
Trade receivables		**11,305**	10,631
Proceeds due on sale of VoIP Supply LLC	19	**—**	4,500
Trade and other receivables		**11,305**	15,131

As at June 30, 2025, the Company recorded $4,500 in respect of proceeds due on the the sale of VoIP Supply LLC. (note 19), all of which was received during the year ended June 30, 2026.

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:

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

	June 30 2026	June 30 2025
	$	$
Trade receivables aging:		
0-30 days	**9,865**	9,294
31-90 days	**1,462**	812
Greater than 90 days	**317**	1,021
	11,644	11,127
Expected credit loss provision	**(339)**	(496)
Net trade receivables	**11,305**	10,631

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

	June 30 2026	June 30 2025
	$	$
Expected credit loss provision:		
Expected credit loss provision, beginning balance	**(496)**	(1,369)
Net change in expected credit loss provision during the year	**157**	873
Expected credit loss provision, ending balance	**(339)**	(496)

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.

The provision matrix below shows the expected credit loss rate for each aging category of trade receivables.

								June 30, 2026
		Total		**Up to 30 days past due**		**Over 30 days past due**		**Over 90 days past due**
Default rates				0.45 %		8.41 %		54.26 %
Trade receivables	**$**	**11,644**	$	9,865	$	1,462	$	317
Expected credit loss provision	**$**	**339**	$	44	$	123	$	172

								June 30, 2025
		Total		Up to 30 days past due		Over 30 days past due		Over 90 days past due
Default rates				0.49 %		8.13 %		37.61 %
Trade receivables	$	11,127	$	9,294	$	812	$	1,021
Expected credit loss provision	$	496	$	46	$	66	$	384

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.

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

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.

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 June 30, 2026:

	within 12 months	13-24 months	25-36 months	>36 months	Total
	$	$	$	$	**$**
Accounts payable and accrued liabilities	14,557	—	—	—	**14,557**
Sales tax payable	1,365	—	—	—	**1,365**
Operating facility and loans	18,412	8,888	—	—	**27,300**
Lease obligations on right of use assets	1,772	1,282	1,162	3,315	**7,531**
Other non-current liabilities	—	—	—	1,628	**1,628**
	36,106	**10,170**	**1,162**	**4,943**	**52,381**

Foreign currency risk

A portion of the Company's transactions occur in a foreign currency (Australian Dollar (AUD), Canadian Dollars (CAD), Columbia Peso (COP), Euros (EUR), Great British Pounds (GBP), Indian Rupees (INR), and Philippine Peso (PHP), 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 June 30, 2026, a 10% depreciation or appreciation of the AUD, CAD, COP, EUR, GBP, INR, and PHP currencies against the U.S. dollar would have resulted in an approximate $87 (June 30, 2025 - $58) 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 14) which bears interest at a floating rate. As at June 30, 2026, a change in the interest rate of 1% per annum would have an impact of approximately $240 (June 30, 2025 - $402) per annum in finance costs. The Company also entered an interest rate swap arrangement for its loan facility (Note 14) to manage the exposure to changes in SOFR-rate based interest rate. As described in detail in Note 14, the fair value of the interest rate swaps are a current asset of $64 and non-current asset of $nil on June 30, 2026 (June 30, 2025 - current asset of $254 and non-current asset of $41).

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 year, and apart from the financial covenants as discussed in Note 14, the Company is not subject to any other capital requirements imposed by external parties.

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

6. Inventories

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

	June 30 2026	June 30 2025
	$	$
Finished goods	**3,030**	4,310
Components and parts	**2,065**	5,263
	5,095	9,573
Provision for obsolescence	**(333)**	(1,346)
Net inventory carrying value	**4,762**	8,227

During the the year ended June 30, 2026, the Company recorded a non-cash inventory write-down of $3,000 due to the Company exiting the legacy connectivity products including the IP telephony cards and session board controllers. The charge was recorded in Inventory write-down in the consolidated statements of loss and comprehensive loss

Excluding the impact of the Inventory write-down, during the year ended June 30, 2026, inventories in the amount of $9,117 (June 30, 2025 - $31,113) were included in cost of sales.

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

7. Property and equipment

	Note	Office furniture and computer equipment	Software	Stockroom and production equipment	Tradeshow equipment	Leasehold improvements	Total
Cost		$	$	$	$	$	$
Balance at July 1, 2024		5,974	500	15,656	47	510	22,687
Additions		804	—	1,587	—	—	2,391
Disposals		(3)	—	(606)	—	—	(609)
Disposal of VoIP Supply LLC	19	(113)	(82)	—	—	—	(195)
Balance at June 30, 2025		6,662	418	16,637	47	510	24,274
Additions		220	—	1,261	—	303	1,784
Disposals		—	—	(764)	—	—	(764)
Balance at June 30, 2026		**6,882**	**418**	**17,134**	**47**	**813**	**25,294**
Accumulated depreciation							
Balance at July 1, 2024		4,179	456	9,207	47	404	14,293
Depreciation expense		721	15	3,295	—	35	4,066
Disposals		—	—	(389)	—	—	(389)
Disposal of VoIP Supply LLC	19	(74)	(55)	—	—	—	(129)
Balance at June 30, 2025		4,826	416	12,113	47	439	17,841
Depreciation expense		1,037	2	2,150	—	61	3,250
Disposals		—	—	(594)	—	—	(594)
Balance at June 30, 2026		**5,863**	**418**	**13,669**	**47**	**500**	**20,497**
Net book value as at:							
Balance at June 30, 2025		1,836	2	4,524	—	71	6,433
Balance at June 30, 2026		**1,019**	**—**	**3,465**	—	**313**	**4,797**

For the year ended June 30, 2026, depreciation expense of $781 (June 30, 2025 - $812) was recorded in general and administration expense in the consolidated statements of loss and comprehensive loss. Depreciation expense in the amount of $2,469 was included in cost of sales for the year ended June 30, 2026 (June 30, 2025 - $3,254).

For the year ended June 30, 2026, loss on disposal of $170 (June 30, 2025- $220) was recorded in general and administration expense in the consolidated statements of loss and comprehensive loss.

(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:

	Note	**Right-of-use assets**
		$
Present value of leases		
Balance as at July 1, 2024		19,757
Additions		93
Terminations		(4,504)
Disposal of VoIP Supply LLC	19	(1,149)
Balance at June 30, 2025		14,197
Additions		215
Effects of movements on exchange rates		(16)
Balance at June 30, 2026		**14,396**
Accumulated depreciation and repayments		
Balance as at July 1, 2024		9,593
Depreciation expense		2,564
Terminations		(4,072)
Disposal of VoIP Supply LLC	19	(1,103)
Balance at June 30, 2025		6,982
Depreciation expense		1,508
Effects of movements on exchange rates		(3)
Balance at June 30, 2026		**8,487**
Net book value as at:		
June 30, 2025		7,215
June 30, 2026		**5,909**

	Note	**Lease obligations**
		$
Present value of leases		
Balance as at July 1, 2024		11,284
Additions		93
Repayments		(2,924)
Accretion expense		301
Terminations		(502)
Effects of movements on exchange rates		5
Disposal of VoIP Supply LLC	19	(49)
Balance at June 30, 2025		8,208
Additions		215
Repayments		(1,755)
Accretion expense		225
Effects of movements on exchange rates		(15)
Balance at June 30, 2026		**6,878**
Lease Obligations - Current		**1,570**
Lease Obligations - Non-current		**5,308**
		6,878

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

Amounts recognized in consolidated statements of loss and comprehensive loss	**June 30 2026**	June 30 2025
	$	$
Depreciation charge on right-of-use assets	**1,508**	2,564
Interest expense on lease obligations	**225**	301
Income from sub-leasing right-of-use assets	**(772)**	(573)
Expenses relating to leases of low-value assets	**191**	526

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

9. Intangible assets

	Note	**Purchased technology**	**Customer relationships**	**Brand**	**Other purchased intangibles**	**Total**
		$	$	$	$	$
Cost						
Balance at July 1, 2024		110,123	126,456	6,787	2,748	246,114
Disposal of VoIP Supply LLC	19	—	(1,160)	(1,050)	—	(2,210)
Balance at June 30, 2025		110,123	125,296	5,737	2,748	243,904
Balance at June 30, 2026		**110,123**	**125,296**	**5,737**	**2,748**	**243,904**
Accumulated amortization						
Balance at July 1, 2024		59,259	55,769	4,210	2,748	121,986
Amortization expense		17,385	14,793	590	—	32,768
Disposal of VoIP Supply LLC	19	—	(1,160)	(814)	—	(1,974)
Balance at June 30, 2025		76,644	69,402	3,986	2,748	152,780
Amortization expense		16,807	14,793	512	—	32,112
Balance at June 30, 2026		**93,451**	**84,195**	**4,498**	**2,748**	**184,892**
Net book value as at:						
Balance at June 30, 2025		33,479	55,894	1,751	—	91,124
Balance at June 30, 2026		**16,672**	**41,101**	**1,239**	**—**	**59,012**

For the year ended June 30, 2026, amortization expense of intangible assets was $32,112 (June 30, 2025 - $32,768).

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

10. Development costs

Cost	**$**
Balance at July 1, 2024	17,702
Additions	6,448
Investment tax credits	(174)
Balance at June 30, 2025	23,976
Additions	6,246
Investment tax credits	(302)
Balance at June 30, 2026	**29,920**
Accumulated amortization	
Balance at July 1, 2024	(9,892)
Amortization	(5,646)
Balance at June 30, 2025	(15,538)
Amortization	(6,147)
Balance at June 30, 2026	**(21,685)**

	June 30 **June 30** **2026**	June 30 2025
	$	$
Net capitalized development costs	**8,235**	8,438

Amortization expense is included in research and development expense in the consolidated statements of loss and comprehensive loss. For the year ended June 30, 2026, amortization was $6,147 (June 30, 2025 - $5,646). In addition to the above amortization, the Company has recognized $36,757 of engineering expenditures as expenses during the year ended June 30, 2026 (June 30, 2025 - $36,503).

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

11. Income tax

(a.) Amounts recognized in profit or loss:

	June 30 2026	June 30 2025
	$	$
Current tax expense		
Current year	**256**	4,331
Changes in prior years position	**307**	(478)
	563	3,853
Deferred tax recovery		
Origination and reversal of temporary differences	**(6,087)**	(5,139)
Changes in tax rate & deferred tax asset not recognized	**99**	53
Changes in prior years position	**(30)**	(100)
	(6,018)	(5,186)

(b.) Amounts recognized in OCI:

	June 30 2026			June 30 2025		
	Before tax	**Tax benefit**	**Net of tax**	Before tax	Tax benefit	Net of tax
	$	**$**	**$**	$	$	$
Change in fair value of interest rate swaps, net of tax	(231)	58	(173)	(751)	190	(561)

(c.) Reconciliation of effective tax rate:

	June 30 2026	June 30 2025
	$	$
Loss before tax from continuing operations	**(86,549)**	(6,343)
Tax using the Company's domestic tax rate	**(22,211)**	(1,637)
Effect of tax rates in foreign jurisdictions	**510**	21
Changes in tax rate & deferred tax asset not recognized	**99**	53
Tax effect of:		
Share based compensation	**638**	751
Other non-deductible expenses	**(72)**	(132)
Scientific Research and Experimental Development	**85**	(21)
Impact of Section 382 limitation	**148**	—
Sale of VoIP Supply LLC	**—**	210
Goodwill impairment	**15,071**	—
Change in prior years position	**277**	(578)
	(5,455)	(1,333)

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

(d.) Movements in deferred tax balances:

	Balance at July 1, 2025				Balance at June 30, 2026		
	DTA/ (DTL)	Recognized in profit or loss	Recognized in OCI	Other	Net	DTA	DTL
	$	$	$	$	$	$	$
Non-deductible reserves	2,753	(810)	—	—	1,943	1,943	—
SR&ED investment tax credits, net of 12(1)(x)	2,011	62	—	(48)	2,025	2,025	—
Property, plant and equipment	(1,070)	234	—	—	(836)	—	(836)
Intangible assets including goodwill	(19,829)	9,189	—	—	(10,640)	—	(10,640)
Deferred development costs	812	(2,287)	—	—	(1,475)	—	(1,475)
Non-capital/Net operating losses carried forward	11,207	867	—	—	12,074	12,074	—
Right of use liabilities	2,087	(381)	—	—	1,706	1,706	—
Right of use assets & other	(1,831)	370	—	—	(1,461)	—	(1,461)
US R&D Investment Tax Credits	—	—	—	254	254	254	—
163J interest	1,498	(1,226)	—	—	272	272	—
Interest Swap	(224)	—	58	12	(154)	—	(154)
Tax assets (liabilities) before set-off	(2,586)	6,018	58	218	3,708	18,274	(14,566)
Set-off of tax						14,567	(14,566)
Net tax assets (liabilities)						**3,707**	**—**

	Balance at July 1, 2024				Balance at June 30, 2025		
	DTA/ (DTL)	Recognized in profit or loss	Recognized in OCI	Other	Net	DTA	DTL
	$	$	$	$	$	$	$
Non-deductible reserves	3,800	(1,047)	—	—	2,753	2,753	—
SR&ED investment tax credits, net of 12(1)(x)	2,364	53	—	(406)	2,011	2,011	—
Property, plant and equipment	(1,474)	404	—	—	(1,070)	—	(1,070)
Intangible assets including goodwill	(26,586)	6,757	—	—	(19,829)	—	(19,829)
Deferred development costs	(72)	884	—	—	812	812	—
Non-capital/Net operating losses carried forward	11,874	(667)	—	—	11,207	11,207	—
Right of use liabilities	2,896	(809)	—	—	2,087	2,087	—
Right of use assets & other	(2,605)	774	—	—	(1,831)	—	(1,831)
Share issuance cost	227	(227)	—	—	—	—	—
163J interest	2,434	(936)	—		1,498	1,498	—
Interest Swap	(418)	—	190	4	(224)	—	(224)
Tax assets (liabilities) before set-off	(7,560)	5,186	190	(402)	(2,586)	20,368	(22,954)
Set-off of tax						18,657	(18,657)
Net tax assets (liabilities)						**1,711**	**(4,297)**

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

(e.) Unrecognized deferred tax asset:

	June 30 2026		June 30 2025	
	Gross amount	**Tax effect**	Gross amount	Tax effect
	$	**$**	$	$
Capital losses carried forward Canada	41	**10**	41	10
Capital losses carried forward USA	12,885	**3,234**	12,885	3,271
Non-capital losses - STC Canada	48	**12**	48	12
Net operating loss - Australia	3,364	1,009	2,811	843

Capital losses carried forward do not expire while the non-capital loss will expire in 2042.

12. Goodwill

The carrying amount and movements of goodwill was as follows:

	Note	$
Balance at July 1, 2024		187,502
Disposal of VoIP Supply LLC	19	(662)
Balance at June 30, 2025		186,840
Goodwill Impairment		(68,394)
Balance at June 30, 2026		**118,446**

There is no addition to goodwill for the year ended June 30, 2026 and June 30, 2025.

The Company performed an annual impairment test for its single CGU as at June 30, 2026. The recoverable amount of the Company's only CGU ("Sangoma") was determined based on a fair value less costs to sell valuation model which used cash flow projections based on financial forecasts from management covering a five-year period and an after-tax discount rate of 14.5% to 16.3% (pre-tax – 17.6% to 19.8%) per annum. The terminal value beyond the five-year period was determined using an enterprise value to earnings before interest, taxes, depreciation, amortization, and EV/EBITDA exit multiple based on peer group valuations. The cash flow projections used in estimating the recoverable amount were generally consistent with results achieved historically adjusted for anticipated growth. The Company concluded that the carrying value of its CGU was higher than the recoverable amount, therefore, a $68,394 non-cash goodwill impairment charge was recognized in the year ended June 30, 2026 (year ended June 30, 2025 - $nil). As of June 30, 2026, the carrying value of the Sangoma CGU was $241,322 and the recoverable amount was $172,928 giving rise to a deficiency of $68,394.

The Company performed sensitivities of key assumptions used in the impairment test at June 30, 2026 and determined that if all other assumptions were held constant:

- A 0.5% increase or decrease in the after-tax discount rate would change the estimated fair value by $3,400.
- A 0.25 times increase or decrease in the EV/EBITDA exit multiple used in determining the terminal value would change the estimated fair value by $6,500.

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

13. Provisions

	$
Balance at July 1, 2024	405
Provision reversed during the year	(233)
Balance at June 30, 2025	172
Provision reversed during the year	(30)
Balance at June 30, 2026	**142**

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. 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 was scheduled to be fully repaid on September 30, 2025. On March 24, 2025, the Company issued the repayment notice for the prepayment of the remaining balance of $2,900. On March 31, 2025, the remaining balance of $2,900 was paid in full. The balance outstanding against this term loan facility as of June 30, 2026 is $nil (June 30, 2025 - $nil).

(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 June 30, 2026 is $6,563 (June 30, 2025 - $15,313). As at June 30, 2026, $6,563 (June 30, 2025 - $8,750) is classified as current and $nil (June 30, 2025 - $6,563) is classified as long-term in the consolidated statements of financial position.

(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 31, 2028. 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 first quarterly repayment of $2,963 was made on June 30, 2025. The balance outstanding against this term loan facility as of June 30, 2026 is $20,737 (June 30, 2025 - $32,587). As at June 30, 2026, $11,850 (June 30, 2025 - $11,850) is classified as current and $8,887 (June 30, 2025 - $20,737) is classified as long-term in the consolidated 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 June 30, 2026, there is no outstanding balance on the revolving credit facility (June 30, 2025 - $nil).

For the year ended June 30, 2026, the Company incurred interest costs to service its borrowing facilities, comprising of the loans and operating facilities, in the amount of $2,164 (June 30, 2025 - $3,953). During the year ended June 30, 2026, the Company borrowed $nil (June 30, 2025 - $nil) in term loans and repaid $20,600 (June 30, 2025 - $21,325) in term loans. The Company repaid $nil (June 30, 2025 - $8,600) 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 June 30, 2026, and June 30, 2025 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 consolidated 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 consolidated 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 June 30, 2026, the notional amount of the interest rate swap was $6,563 (June 30, 2025 – $15,313). The interest rate swap has a weighted average fixed rate of 1.80% (June 30, 2025 – 1.80%) and have been designated as an effective cash flow hedge and therefore qualifies for hedge accounting.

As at June 30, 2026, the fair value of the interest rate swap assets were valued at current of $64 (June 30, 2025 - $254) and non-current $nil (June 30, 2025 – $41). The current and non-current derivative assets were recorded in the consolidated statements of financial position.

For the year ended June 30, 2026, the change in fair value of the interest rate swaps, net of tax, was a loss of $173 (June 30, 2025 – a loss of $561) recorded in other comprehensive loss in the consolidated 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.

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

15. 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 June 30, 2026, and June 30, 2025 are below:

	$
Opening balance, July 1, 2024	12,654
Revenue deferred during the year	36,627
Deferred revenue recognized as revenue during the year	(39,549)
Ending balance, June 30, 2025	9,732
Revenue deferred during the year	113,524
Deferred revenue recognized as revenue during the year	(114,651)
Ending balance, June 30, 2026	**8,605**
Contract liabilities - Current	6,711
Contract liabilities - Non-current	1,894
	8,605

16. Shareholders' equity

(i) Share capital

The Company’s authorized share capital consists of an unlimited number of common shares without par value. As at June 30, 2026 and 2025, the Company’s issued and outstanding common shares consist of the following:

	June 30 2026	June 30 2025
	#	#
Shares issued and outstanding:		
Outstanding, beginning of the year	**33,262,910**	33,340,159
Shares issued under employee share purchase plan	**29,650**	—
Shares purchased and cancelled	**(270,694)**	(439,741)
Shares issued upon exercise of RSUs	**317,066**	362,492
Outstanding, end of the year	**33,338,932**	33,262,910

During the year ended June 30, 2026, a total of 317,066 (June 30, 2025 – 362,492) shares were issued upon the exercise of Restricted Share Units, and the Company recorded a charge of $1,604 (June 30, 2025 – $2,012) from contributed surplus to share capital.

In September 2024 the Company adopted the Employee Stock Purchase Plan ("ESPP"). The first offering period began on January 15, 2025, with the first purchase under the plan occurring on July 15, 2025. Under the Plan, the Share-based compensation expense related to the ESPP is measured based on the grant date at fair value of the expected discount to be provided to the employees who are registered in the plan. The Company recognizes share based compensation expense related to shares issued pursuant to the ESPP on a straight-line basis over the offering period, which is 6 months. The ESPP allows employees to purchase shares of the Company's common stock at a 10 percent discount from the Company’s stock price on the last day of the offering period. Under the plan, employees may withdraw from the plan at any time during the offering period. Other changes to the percentage contributions can be made at any time during the offering period but will only take effect the next offering period. The ESPP does not include any buy-back provisions or price protection against reductions in share price.

During the year ended June 30, 2026, a total of 29,650 (June 30, 2025 – nil) shares were issued upon the exercise of ESPP, and the Company recorded a total of $157 (June 30, 2025 –$nil) to share capital.

On March 25, 2025, the Company announced its intention to make an Normal Course Issuer Bid ("NCIB") with respect to its Shares. Pursuant to the NCIB, the Company may, during the 12-month period commencing March 27, 2025 and ending no later than March 26, 2026, purchase up to 1,679,720 shares, representing 5% of the total number of 33,594,409 shares outstanding as of March 17, 2025, through the facilities of the TSX, the Nasdaq Global Select Market or alternative Canadian trading systems.

On April 1, 2026, the Company announced the renewal of the Normal Course Issuer Bid ("NCIB") with respect to its Shares. Pursuant to the NCIB, the Company may, during the 12-month period commencing April 6, 2026 and ending no later than April 5, 2027, purchase up to 1,663,939 shares, representing 5% of the total number of 33,278,790 shares outstanding as of March 24, 2026, through the facilities of the TSX, the Nasdaq Global Select Market or alternative Canadian trading systems.

Under the term of the NCIB, during the year ended June 30, 2026, the Company purchased a total of 195,949 common shares (June 30, 2025 – 514,486) at an average price of $5.02 per share (June 30, 2025 - $5.56), for total consideration of $985 (June 30, 2025 - $2,859). During the year ended June 30, 2026, the Company cancelled a total of 270,694 (June 30, 2025 – 507,357) common shares including 195,949 purchased in fiscal 2026 and 74,745 purchased at the end of fiscal 2025. the Company recorded a total reduction of $1,028 (June 30, 2025 - $2,872) in share capital for the value of the common shares settled and cancelled in the periods.

In connection with the NCIB, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker for the purpose of allowing the Company to purchase its common shares under the NCIB during self-imposed trading blackout periods. Under the ASPP, the broker is authorized to repurchase common shares during blackout periods, without consultation with the Company, on predefined terms, including share price, time period and subject to other limitations imposed by the Company and subject to rules and policies of the TSX and applicable securities laws, such as a daily purchase restriction.

The Company did not provide its Broker with instructions to purchasing under its NCIB during the blackout period following the end of the year ended June 30, 2026. As at June 30, 2026, the Company had no liability and was not required to pay the designated broker under the ASPP.

(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, Deferred Share Units (DSUs), Performance Share Units (PSUs), Restricted Share Units (RSUs), and Employee Share Purchase Plan (ESPP).

The DSUs, PSUs, RSUs 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 DSUs, PSUs and RSUs and 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.

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

PSUs vest in full at the end of a three-year period. the final amount is based 100% on market-based performance targets. The expense related to the PSUs is measured based on the fair value of the awards at the grant date using the Monte Carlo simulation.

For the year ended June 30, 2026, the Company recognized share-based compensation expense in the amount of $2,486 (June 30, 2025 - $2,908).

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 year ended June 30, 2026 and June 30, 2025, the Company did not grant any options.

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

	Number of options	**Weighted average price**
	#	$
Balance, July 1, 2024	462,346	15.21
Expired	(47,176)	11.77
Forfeited	(33,484)	15.40
Balance, June 30, 2025	381,686	15.62
Expired	(280,859)	15.06
Forfeited	(2,600)	9.69
Balance, June 30, 2026	**98,227**	**17.38**

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

	June 30 2026			June 30 2025		
Exercise price	**Number of stock options outstanding**	**Number of stock options outstanding and exercisable**	**Weighted average remaining contractual life**	Number of stock options outstanding	Number of stock options outstanding and exercisable	Weighted average remaining contractual life
$7.01 - $9.00	**71,227**	**71,227**	**1.00 year**	84,120	64,510	2.00 years
$9.01 - $12.00	—	—	—	62,023	62,023	0.93 years
$12.01 - $15.00	**27,000**	**27,000**	**0.75 years**	42,000	34,143	1.75 years
$15.01 - $18.00	—	—	—	104,702	104,702	1.00 year
$18.01 - $20.00	—	—	—	22,856	21,468	1.00 year
$20.01 - $27.00	—	—	—	65,985	65,985	0.61 years
	98,227	**98,227**	**0.93 years**	381,686	352,831	1.22 years

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

Share Units

The following table summarizes information about the DSUs, PSUs and RSUs granted, exercised and forfeited during the year ended June 30, 2026.

	DSU	PSU	RSU	Total
Awards outstanding July 1, 2024	172,086	499,800	607,157	1,279,043
Awards granted during the year	64,356	271,000	271,000	606,356
Awards exercised during the year	—	—	(362,492)	(362,492)
Awards forfeited during the year	—	(82,500)	(50,623)	(133,123)
Awards outstanding June 30, 2025	236,442	688,300	465,042	1,389,784
Awards granted during the year	78,000	254,375	254,375	586,750
Awards exercised during the year	—	—	(317,066)	(317,066)
Awards forfeited during the year	—	(101,500)	(17,500)	(119,000)
Awards outstanding June 30, 2026	**314,442**	**841,175**	**384,851**	**1,540,468**

During the year ended June 30, 2026, a total of 78,000 DSUs were granted (June 30, 2025 – 64,356). The fair value of each DSU issued during the year ended June 30, 2026 is $5.00 per share (June 30, 2025 – $6.06).

During the year ended June 30, 2026, a total of 254,375 PSUs were granted (June 30, 2025 – 271,000). The average fair value tied to market-based performance targets for each PSU issued during the year ended June 30, 2026 is $2.64 per share (June 30, 2025 – $6.68) using the Monte Carlo simulation.

The key assumptions used in the Monte Carlo simulation are:

	June 30 2026	June 30 2025
Fair value per share	$2.64	$6.68
Expected volatility	47.00%	64.00%
Time to expiry	2.36 years	2.76 years
Risk-free interest rate	3.45%	3.42%

During the year ended June 30, 2026, a total of 254,375 RSUs were granted (June 30, 2025 – 271,000). The average fair value of each RSU issued during the year ended June 30, 2026 is $4.41 per share (June 30, 2025 –$5.65).

During the year ended June 30, 2026, a total of 317,066 RSUs were exercised and settled through the issuance of common shares (June 30, 2025 – 362,492).

(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.

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

		June 30 2026		June 30 2025
Number of shares:				
Weighted average number of shares outstanding		**33,244,861**		33,497,223
Weighted average number of shares used in basic and diluted earnings per share		**33,244,861**		33,497,223
Net loss	**$**	**(81,094)**	$	(5,010)
Loss per share				
Basic and diluted	**$**	**(2.44)**	$	(0.15)

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.

	June 30 2026	June 30 2025
DSU	314,442	236,442
PSU	841,175	688,300
RSU	384,851	465,042
Stock options	98,227	381,686
	1,638,695	1,771,470

17. 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's related party transactions consist solely of compensation paid to key management personnel and directors as disclosed below. There were no other related party transactions or outstanding balances with related parties as of and for the years ended June 30, 2026 and 2025.

Compensation of key management personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and five officers.

The remuneration of directors and other members of key management personnel during the fiscal years ended June 30, 2026 and 2025 were as follows:

	June 30 2026	June 30 2025
	$	$
Short-term benefits	**2,573**	3,150
Long-term benefits	**72**	56
Share-based payment transactions	**2,328**	2,617
Total compensation	**4,973**	5,823

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

18. 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 Company's assets are primarily located in 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 years ended June 30, 2026 and 2025 as follows:

	June 30 2026	June 30 2025
	$	$
Products	**16,120**	41,592
Services	**183,945**	195,100
Total revenues	**200,065**	236,692

The sales in each of these geographic locations for the years ended June 30, 2026 and 2025 as follows:

	June 30 2026	June 30 2025
	$	$
USA	**190,905**	224,101
Others	**9,160**	12,591
Total revenues	**200,065**	236,692

The non-current assets, in US dollars, in each of the geographic locations as at June 30, 2026, and June 30, 2025 are below:

	June 30 2026	June 30 2025
	$	$
USA	**196,712**	299,041
Others	**5,086**	4,882
Total non-current assets	**201,798**	303,923

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

19. Disposal of VoIP Supply LLC

During fiscal 2025, the Company initiated plans for the disposal of substantially all of the assets and liabilities from VoIP Supply LLC, as part of its strategic realignment. In accordance with the criteria set out in IFRS 5, the Company determined that the assets and liabilities at VoIP Supply LLC met the criteria of a disposal group.

The associated assets and liabilities within the disposal group were measured at the lower of their carrying amounts and fair value less costs to sell. VoIP Supply LLC did not represent a separate operating segment under IFRS 8, as the Company considers the entire business of the Company from a single operating segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities. As a result, the operating results of VoIP Supply LLC were not determined to meet the criteria of a discontinued operation under IFRS 5.

On June 30, 2025, the Company completed the sale of the VoIP Supply LLC to PVG Technology Holdings, LLC for a total aggregate purchase price of $4,500 (the "Transaction") which was recorded as a receivable at June 30, 2025 and collected during the years ended June 30, 2026.

20. Subsequent events

As a result of the strategic review process, on September 28, 2026, the Board has approved the sale of the Company, subject to certain closing conditions.

21. Authorization of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on September 28, 2026.