



NEWS RELEASE

SANGOMA ANNOUNCES SECOND QUARTER FISCAL 2026 RESULTS

Company Delivers Sequential Revenue Growth, Strong Cash Flow from Operations and Narrows Fiscal 2026 Guidance

TORONTO, ONTARIO, February 4, 2026 – Sangoma Technologies Corporation (TSX: STC; Nasdaq: SANG) (“Sangoma” or the “Company”), a trusted industry leader uniquely offering businesses a choice of on-premises, cloud-based, or hybrid Communications as a Service solutions, today announced its second quarter financial results and unaudited condensed consolidated interim financial statements for the three and six month periods ended December 31, 2025. All amounts are expressed in US dollars unless otherwise stated.

“Our second quarter results demonstrate continued progress and disciplined execution across the business,” said Charles Salameh, Chief Executive Officer. “We delivered sequential revenue growth consistent with our expectations, generated strong cash flow from operations, and posted a solid bookings quarter, all while maintaining a focused approach to profitability and capital discipline.

As we move into the second half of Fiscal 2026, we remain focused on executing against our operating plan, strengthening our software and services mix, and supporting our customers and partners. While we continue to operate in a dynamic market environment, the consistency we are seeing in bookings, churn, and cash generation gives us confidence in our ability to deliver continued sequential progress and market optionality to scale the business.”

Second Quarter of Fiscal 2026 Highlights:

- Revenue at \$51.5 million grew sequentially by 1% compared to last quarter, in line with the Company's expectations. Excluding \$6.4 million of revenue from VoIP Supply, LLC ("VS"), which was strategically sold to exit low-margin, non-recurring resale activity, revenue was 2% lower year-over-year on a like-for-like basis.
- The Company saw a 60% increase in MRR bookings year-over-year, supporting the Company's growth initiatives.
- Gross profit of \$38.2 million representing 74% of total revenue, up from 72% in last quarter, driven by the shift toward higher-margin recurring services.
- Operating expenses¹ were \$40.0 million, an increase of \$1.5 million or 4% over the previous quarter, reflecting an increase in commissions paid on bookings as the Company saw growth in large bookings during the quarter.

- Net Loss of \$2.0 million (\$0.06 loss per share fully diluted) compared to a Net Loss of \$1.9 million (\$0.06 loss per share fully diluted) over the same quarter in the prior year.
- Adjusted EBITDA² of \$8.3 million representing 16% of total revenue, was in line with historical seasonal patterns.
- Quarterly churn remained low, holding at under 1%.
- Net cash provided by operating activities of \$10.1 million in the second quarter or 122% as a percentage of Adjusted EBITDA².
- Free Cash Flow² in the second quarter of \$8.0 million (\$0.24 per share fully diluted).
- More than 700,000 shares have been repurchased for cancellation under the Company's Normal Course Issuer Bid launched on March 27, 2025, including 195,949 repurchased in the second quarter of fiscal 2026.
- Total debt at the end of the second quarter of fiscal 2026 was \$37.6 million, a reduction of approximately 38% from the same period last year.
- Cash at the end of the second quarter of fiscal 2026 was \$17.1 million, reflecting a strong progression of operating cash flow in the first two quarters, partially offset by total debt reduction of \$10.3 million and share repurchases of \$1.0 million.

Guidance for Fiscal 2026³

Sangoma provided guidance for Fiscal 2026 on September 17, 2025, which it reaffirmed on November 5, 2025. That guidance included total revenue in the range of \$200 - \$210 million, with sequential growth expected in the second quarter of Fiscal 2026, and an Adjusted EBITDA² margin in the range of 17%-19%, inclusive of incremental go-to-market investments to stimulate organic growth.

With the Company achieving sequential growth in the second quarter, Sangoma is now narrowing its Fiscal 2026 guidance as follows:

- Total revenue: \$205 – \$208 million
- Adjusted EBITDA² margin: 17%–18%

Conference call

Sangoma will host a conference call on Wednesday, February 4, 2026, at 5:30 pm ET to discuss these results. The dial-in number for the call is 1-833-752-3740 (International +1-647-846-8617). Participants are requested to dial in 5 minutes before the scheduled start time and ask to join the Sangoma Technologies call.

¹ Operating Expenses consist of sales and marketing, research and development, general and administration and amortization of intangible assets.

² Adjusted EBITDA and Free Cash Flow are non-IFRS financial measures used by the Company to monitor its performance. Please see the section entitled “Non-IFRS Measures and Reconciliation of Non-IFRS Measures” in this press release for how we define “Adjusted EBITDA” and “Free Cash Flow”.

³ The information in this section is forward-looking. Please see the section entitled “Cautionary Statement Regarding Forward-Looking Information” in this press release.

About Sangoma Technologies Corporation

Sangoma (TSX: STC; Nasdaq: SANG) is a leading business communications platform provider with solutions that include its award-winning UCaaS, CCaaS, CPaaS, and Trunking technologies. The enterprise-grade communications suite is developed in-house; available for cloud, hybrid, or on-premises setups. Additionally, Sangoma provides managed services for connectivity, network, and security. A trusted communications partner with over 40 years on the market, Sangoma has over 2.7 million UC seats across a diversified base of over 100,000 customers. Sangoma has been recognized for nine years running in the Gartner UCaaS Magic Quadrant. As the primary developer and sponsor of the open source Asterisk and FreePBX projects, Sangoma is determined to drive innovation in communication technology continuously. For more information, visit www.sangoma.com.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking information and forward-looking statements (collectively, “forward-looking statements”), including statements regarding the Company’s future financial and operating performance, business strategy, growth opportunities, market outlook, and management’s expectations for fiscal 2026 and beyond.

Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include, but are not limited to, statements relating to management’s guidance on revenue and Adjusted EBITDA, expectations regarding demand for the Company’s Products and Services, supply chain dynamics, foreign exchange impacts, cash flows, and other statements that are not historical facts. Words such as “believe”, “could”, “plan”, “estimate”, “expect”, “will”, “intend”, “may”, “potential”, “should”, and similar expressions are intended to identify forward-looking statements.

Although Sangoma believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: supply chain disruptions, cost inflation, or shipping delays, the Company’s ability to execute its go-to-market strategy, including expansion of subscription and cloud services, changes in customer demand, churn, or adoption of new technologies, macroeconomic and geopolitical developments, including inflation, interest rates, recessions, political instability, conflicts, trade restrictions, sanctions, or tariffs, foreign exchange fluctuations, cybersecurity risks, evolving regulatory and compliance requirements, and data sovereignty changes, the Company’s ability to attract and retain key employees, changes in technology, including the impacts of artificial intelligence, automation, or other innovations that could alter competitive dynamics; and the risks and uncertainties described in the Company’s most recently filed Annual Information Form for the fiscal year ended June 30, 2025.

Forward-looking statements are based on the opinions, estimates, and assumptions of management as of the date of this press release and are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions, or expectations upon which they are based will occur. Except as required by applicable securities laws, Sangoma undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Our guidance is based on the Company's assessment of numerous material assumptions, including but not limited to the following:

Operational & Supply Chain

- The Company's ability to effectively manage ongoing supply chain dynamics, including securing necessary electronic components and parts, contract manufacturers delivering finished products on schedule, and no material increases in the cost of components, labor, or logistics.
- Shipping lanes and freight services remaining available without significant delay or cost escalation.

Go-to-Market & Revenue

- The successful execution of the Company's go-to-market transformation and related initiatives, including expansion of sales capacity, improved channel enablement, and increasing customer adoption of subscription-based services.
- Revenue trends consistent with those observed in Fiscal 2025 to date, adjusted for anticipated market conditions in Fiscal 2026.
- Continued customer demand for both Services and Products, supported by stable renewal rates, new logo acquisition, and expansion within the existing customer base.
- The Company's internal sales force and channel partners delivering forecasted revenue in line with management expectations.

Market & Macroeconomic Environment

- Continued expansion of the global UCaaS and cloud communications markets, supported by ongoing digital transformation and hybrid work adoption.
- General macroeconomic conditions not deteriorating beyond currently anticipated levels, including inflation, interest rates, recessions, geopolitical conflicts, political instability, or government fiscal constraints.
- No introduction of materially adverse tariffs, trade restrictions, or other regulatory barriers that would impact the Company's cost structure or demand environment.

Customers & Ecosystem

- Customers maintaining their business operations and technology investment levels without significant disruption that would materially reduce demand for the Company's Products or Services.
- Stable or growing demand from key verticals, including SMB, enterprise, and channel-driven markets.
- The ability of customers and partners to adapt to evolving regulatory, security, and compliance requirements without negatively impacting purchase cycles.

Currency & Financial

- Foreign exchange rates remain within a range that does not materially impact reported results.
- Access to capital and credit markets remains available on reasonable terms, with no material change in financing costs.

Talent & Execution

- The Company's continued ability to attract, develop, and retain key employees necessary to support growth and innovation.
- No significant labor disruptions, attrition spikes, or challenges in securing specialized talent in technology, sales, or operations.
- Execution of planned product roadmaps and technology enhancements on time and within budget.

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release contains references to non-IFRS measures. These measures are used by management to evaluate the performance of the Company and do not have any meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other reporting issuers. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide investors with alternative measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures to compare issuers. Management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. The non-IFRS measures referred to in this press release include "Adjusted EBITDA" and "Free Cash Flow".

"Adjusted EBITDA" means earnings before income taxes, interest expense (net), share-based compensation, depreciation (including for right-of-use assets), amortization, restructuring and business integration costs, goodwill impairment, change in fair value of consideration payable and loss on sale divestiture of subsidiary.

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

The following table reconciles Adjusted EBITDA to net income (loss) for the periods indicated:

in US \$000	Three month periods ended December 31				Six month periods ended December 31			
	2025	2024	Change	Change	2025	2024	Change	Change
	\$	\$	\$	%	\$	\$	\$	%
Net loss	(1,996)	(1,881)	(115)	6%	(4,333)	(3,791)	(542)	14%
Tax recovery	(336)	(274)	(62)	23%	(862)	(617)	(245)	40%
Interest expense (net)	476	1,105	(629)	(57)%	1,125	2,483	(1,358)	(55)%
Share-based compensation	830	1,038	(208)	(20)%	1,359	1,766	(407)	(23)%
Depreciation of property and equipment	822	1,006	(184)	(18)%	1,709	2,091	(382)	(18)%
Depreciation of right-of-use assets	408	653	(245)	(38)%	768	1,331	(563)	(42)%
Amortization of intangibles	7,992	8,199	(207)	(3)%	16,164	16,397	(233)	(1)%
Restructuring and business integration costs	139	242	(103)	(43)%	702	242	460	190%
Adjusted EBITDA	8,335	10,088	(1,753)	(17)%	16,632	19,902	(3,270)	(16)%
AEBITDA as a % of revenue	16%	17%		(1)%	16%	17%		—%

"Free Cash Flow" means cash provided by operating activities less cash used for purchases of property and equipment and capitalized development costs.

The IFRS measure most directly comparable to Free Cash Flow presented in our financial statements is net cash provided by operating activities.

The following table reconciles Free Cash Flow to net cash provided by operating activities for the periods indicated:

in US \$000	Three month periods ended December 31				Six month periods ended December 31			
	2025	2024	Change	Change	2025	2024	Change	Change
	\$	\$	\$	%	\$	\$	\$	%
Net cash provided by operating activities	10,131	11,913	(1,782)	(15)%	15,069	24,040	(8,971)	(37)%
Purchase of property and equipment	(422)	(511)	89	(17)%	(663)	(947)	284	(30)%
Development costs	(1,671)	(1,616)	(55)	3%	(3,138)	(3,295)	157	(5)%
Free Cash Flow	8,038	9,786	(1,748)	(18)%	11,268	19,798	(8,530)	(43)%

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