



NEWS RELEASE

SANGOMA REPORTS RESULTS FOR THE SECOND QUARTER OF FISCAL 2021 ***Quarterly revenue up 9% while EBITDA expands 32% to over \$6.8 million***

MARKHAM, ONTARIO, February 4, 2021 – Sangoma Technologies Corporation (TSX VENTURE:STC), a trusted leader in delivering cloud-based Communications as a Service (“CaaS”) solutions for companies of all sizes, today announced highlights of its unaudited condensed interim consolidated financial statements for the second quarter of its fiscal year 2021 ended December 31, 2020.

For the second quarter of fiscal 2021, sales were \$35.32 million, 9% higher than in the same quarter last year, and EBITDA was an all-time record \$6.84 million, up 32% over the same quarter last year.

	Q2 FY2021	Q2 FY2020	Change	Q1 FY2021	Change
Sales	\$35.32 m	\$32.29 m	9%	\$35.03 m	1%
Gross profit	\$23.46 m	\$21.32 m	10%	\$23.18 m	1%
Operating expense	\$19.68 m	\$19.17 m	3%	\$19.65 m	0%
Operating income¹	\$3.78 m	\$2.15 m		\$3.53 m	
Net income	\$2.46 m	(\$1.33) m		\$2.24 m	
Net earnings/(loss) per share (fully diluted)	\$0.022	(\$0.018)		\$0.022	
EBITDA¹	\$6.84 m	\$5.19 m	32%	\$6.73 m	2%

¹ Operating Income and EBITDA are metrics used by the Company to monitor its performance and the definitions may be found in the accompanying MD&A posted today at www.sedar.com.

“This was another strong quarter for Sangoma, with total sales up 9% from the same quarter last year and our all important Services revenue growing almost 25% over the second quarter of fiscal 2020,” said Bill Wignall, President and CEO of Sangoma. “The solid revenue, reliable gross margin, and expense controls undertaken during the pandemic has delivered our highest quarterly EBITDA ever. As the crisis begins to subside, we will begin to prudently open up spending slightly again, which should bring EBITDA back closer to the range expected in our fiscal 2021 guidance, of around 17%. And of course, this all follows our very exciting announcement last week, of the

definitive agreement to acquire Star2Star.”

Gross profit was \$23.46 million in the second quarter of fiscal 2021, 10% higher than in fiscal 2020 and with similar gross margin at 66% of revenue.

Operating expenses were \$19.68 million in the second quarter of fiscal 2021, up 3% from the second quarter of fiscal 2020, increasing at a rate slower than Sangoma’s revenue growth, as planned.

EBITDA was a record \$6.84 million in the second quarter, up by almost one-third from the \$5.19 million in the same quarter last year.

Net income for the second quarter ended December 31, 2020 was \$2.46 million.

Sangoma continues to maintain a strong balance sheet and finished the quarter with a cash balance of \$92.28 million. Working capital closed at \$83.43 million as of December 31, 2020 and Adjusted Cash Flow from operations at \$6.32 million for the quarter.

Outlook for fiscal year 2021

Sangoma has earlier provided guidance for 2021 of between \$143 and \$147 million in revenue and between \$24 and \$26 million in EBITDA. The company is maintaining those ranges, given second quarter results.

Cyber attack update

Since disclosing the cyber attack in December 2020, Sangoma has been working with a highly experienced group of third-party cybersecurity experts to conduct a fulsome and comprehensive investigation into the incident. The company has provided regular public updates regarding its progress and Sangoma now expects to complete the investigation and report the results this month. As stated in the company’s press release of January 12, while we continue to investigate the incident, we are confident that none of our products or services were impacted, and Sangoma does not expect the cyber attack will have a material impact on sales or on opportunities in the company’s pipeline.

Acquisition of StarBlue Inc. (“StarBlue”)

As requested by the TSX Venture Exchange, the Company wishes to clarify the leadership and governance of Sangoma after the closing of the acquisition of StarBlue. Bill Wignall will remain as President and CEO of Sangoma and, subject to Shareholder approval of a new Control Person in accordance with TSX-V policies, the resulting Sangoma board of directors (the “Board”) shall consist of five directors, with Norman Worthington of StarBlue becoming Chairman and with Marc Lederman of NewSpring Capital, an institutional investor in Star2Star Holdings, LLC (“S2S Holdings”), also joining the Board. The nomination of Norman Worthington and Marc Lederman is pursuant to a right granted to the sellers’ representative in the stock purchase agreement. S2S Holdings, as sellers’ representative, has exercised this right on behalf of the sellers. With this clarification, the TSX Venture Exchange has confirmed that trading

in Sangoma's common shares will resume effective at the opening on or about Monday, February 8, 2021 in accordance with the TSX Venture Exchange bulletin issued today.

Conference Call

President and CEO, Bill Wignall, Executive Vice President Corporate Development, John Tobia and CFO, David Moore will host a conference call on Friday February 5, 2021 at 11:00 am Eastern Standard Time to discuss the quarterly results. The dial-in number for the call is 1-800-319-4610 (International 1-604-638-5340). Investors are requested to dial in 5 to 10 minutes before the scheduled start time and ask to join the Sangoma call.

About Sangoma Technologies Corporation

Sangoma Technologies is a trusted leader in delivering value-based Communications as a Service (CaaS) solutions for businesses of all sizes. Sangoma's cloud-based Services include Unified Communication (UCaaS) business communications, Meetings as a Service (MaaS), Communications Platform as a Service (CPaaS), Trunking as a Service (TaaS), Fax as a Service (FaaS), Device as a Service (DaaS), and Access Control as a Service (ACaaS). In addition, Sangoma offers a full line of communications Products, including premise-based UC systems, a full line of desk phones and headsets, and a complete connectivity suite (gateways/SBCs/telephony cards). Sangoma's products and services are used in leading UC, PBX, IVR, contact center, carrier networks, office productivity, and data communication applications worldwide. Sangoma is also the primary developer and sponsor of Asterisk and FreePBX, the world's two most widely used open source communication software projects.

Sangoma Technologies Corporation is publicly traded on the TSX Venture Exchange (TSX VENTURE: STC). Additional information on Sangoma can be found at: www.sangoma.com.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities.

Forward-looking statements include, but are not limited to, statements concerning estimates of expected expenditures (including in respect of IT and security enhancements being implemented in response to the cyber attack), statements relating to expected future production and cash flows, statements relating to the ongoing investigation into and actions being undertaken in response to the cyber attack and the anticipated impact on our business, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions indicate forward-looking statements.

Although Sangoma believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that

actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. Such risks and uncertainties include, but are not limited to, the outcome of our ongoing investigation into the cyber attack, costs related to our investigation and any resulting liabilities, our ability to recover any proceeds under our insurance policies, and costs related to and the effectiveness of our mitigation and remediation efforts. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by law.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other events contemplated by the forward-looking statements will not occur. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct as these expectations are inherently subject to business, economic and competitive uncertainties and contingencies. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in its management's discussion and analysis and annual information form (both available on www.sedar.com) include, but are not limited to risks and uncertainties associated with the COVID-19 pandemic, changes in exchange rate between the Canadian Dollar and other currencies, changes in technology, changes in the business climate, changes in the regulatory environment, the decline in the importance of the PSTN and new competitive pressures. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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