



Sangoma Technologies Corporation Clarifies Previous Disclosure

MARKHAM, Ontario, Sept. 23, 2021 (GLOBE NEWSWIRE) -- Sangoma Technologies Corporation (TSX VENTURE: STC) (the "**Corporation**") announces that, as a result of a review of its continuous disclosure record by staff of the Ontario Securities Commission (the "**OSC**"), the Corporation is issuing this news release to clarify certain disclosures made in its management discussion and analysis for the year ended June 30, 2020 (the "**2020 Annual MD&A**") and for the three and nine months ended March 31, 2021 (the "**Q3 2021 MD&A**" and, together with the 2020 Annual MD&A, the "**MD&As**").

In the MD&As, the Corporation made certain disclosures regarding guidance for fiscal year 2020 and fiscal year 2021 which constituted forward-looking information, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*. The following is additional information to help investors understand the material factors and assumptions that were used to develop such forward looking-information.

Clarifying Previously Disclosed Guidance for Fiscal 2020

On page viii of the 2020 Annual MD&A the Corporation disclosed that EBITDA for fiscal year 2020 was \$21.6 million and that sales for fiscal year 2020 was \$131.4 million, consistent with the updated guidance disclosed in its press release dated August 13, 2020, wherein the Corporation stated: "Sales for the fiscal year 2020 are expected to be at the upper end of guidance, between \$131 and \$132 million. EBITDA is anticipated to exceed previously announced guidance of \$19-21 million, and thus is expected to be above \$21 million". The following is additional information to help investors understand the difference between the actual fiscal year 2020 results and the previously disclosed guidance:

- the guidance for fiscal year 2020 of \$19-21 million for EBITDA and \$128-132 million in sales in the Corporation's management discussion and analysis for the six months ended December 31, 2019 was provided on February 27, 2020 and was based on certain material management assumptions at that time which included: (i) the growing possibility of further disruption in the Corporation's supply chain due to Covid-19, including such disruptions as delays in delivery of its manufactured products from its suppliers, increased pricing of certain components required by the Corporation, delays and increased costs in shipping its finish products to its warehouses and customers; (ii) increasing uncertainty regarding the global economy and the number and geographic location of regions affected by Covid-19 around the world; (iii) the slightly softer demand for one-time product sales due to general market uncertainties and decreased customer confidence relating to Covid-19 and due to the decline in the importance of the Public Switched Telephone Network; and (iv) the impact of IFRS16 on the Corporation's financial results. As a result, the Corporation updated its guidance at that time by slightly lowering revenue guidance to \$128 - 132 million (from \$135 to \$143 million previously announced on October 18, 2019) but increasing its expected range of EBITDA to \$19 - 21 million (from \$19 to \$20 million previously announced on October 18, 2019).
- in its August 13, 2020 press release, the Corporation updated its expectations for fiscal year 2020 to the upper end of its prior guidance on the basis that management's assumption relating to Covid-19 (other than some modest softening in product sales) was substantially correct; and
- in its 2020 Annual MD&A, the Corporation disclosed its audited fiscal year 2020 results which were consistent with the updated guidance from the August 13, 2020 press release.

Clarifying Previously Disclosed Guidance for Fiscal 2021

On page xx of the 2020 Annual MD&A, the Corporation provided guidance for revenue and EBITDA for fiscal year 2021: "On October 20, 2020 Sangoma provided guidance for Fiscal 2021 of between \$143 and \$147 million for revenue and between \$24 and \$26 million for EBITDA". This information constitutes forward-looking information and the material factors and assumptions used by management to develop such forward-looking information were as follows:

- forecasted sales of between \$143 and \$147 million in products and services being achieved, which forecast was based on certain management assumptions, including continuing demand for the Corporation's products and services, no material increase to the Corporation's manufacturing, labour or shipping costs;
- no material fluctuation to the then prevailing foreign currency exchange rate of approximately US\$1: CDN\$1.32;
- uninterrupted availability of components and manufacturing capability for building the Corporation's products;
- the ability of the Corporation's employees to work from home without any material impact on productivity; and
- the ability of the Corporation's customers to continue their business operations without any material impact on their

requirements for the Corporation's products and services.

On page xix of the Q3 2021 MD&A, the Corporation provided updated guidance for revenue and EBITDA for fiscal year 2021: "Sangoma is increasing its guidance for fiscal 2021 to approximately \$166 million for revenue and \$30 million of EBITDA". This information constitutes forward-looking information as well as an update to previously issued guidance contained in a press release issued by the Corporation on October 20, 2020, wherein the Corporation stated: "Sangoma is today issuing guidance for its fiscal year 2021 that started on July 1, 2020. Revenue is expected to be between \$143 and \$147 million, and EBITDA is expected to be between \$24 and \$26 million for the year". The material factors and assumptions used by management to develop such updated guidance for fiscal year 2021 were as follows:

- the inclusion of the Star2Star business post-acquisition from April 1, 2021 and such business continuing to operate and generate results in a manner consistent with its business preceding the acquisition closing;
- no material fluctuation to the then prevailing foreign currency exchange rate of US\$1: CDN\$1.26 for the remainder of fiscal year 2021;
- no material escalation of the Covid-19 pandemic or resulting material and adverse impact on sales for the remainder of fiscal year 2021;
- the re-stabilization, in all material respects, of the global supply chain on availability of, and pricing for, certain components required by the Corporation for the remainder of fiscal year 2021 (including a modest, temporary increase in investment into parts and finished goods inventory where possible); and
- no material escalation in the cost to ship the Corporation's products to its warehouses and to its customers during the remainder of fiscal year 2021.

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 previously made in the referenced MD&As regarding the expected fiscal 2021 financial results and the future success of our business, development strategies and future opportunities. Forward-looking statements include, but are not limited to, statements concerning management's guidance on sales and EBITDA, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions indicate forward-looking statements.

Although Sangoma believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other events contemplated by the forward-looking statements will not occur. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct as these expectations are inherently subject to business, economic and competitive uncertainties and contingencies. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in the referenced MD&As include, but are not limited to, risks and uncertainties associated with the cost and integration of Star2Star, the impact of the continuing 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, new competitive pressures, the impact of global supply chain delays, the retention of key staff, the increase in cost of our components and materials and the impact of changes to interest rates.

This cautionary statement expressly qualifies the forward-looking statements contained in this press release and the

referenced MD&As. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by law.

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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