

SANGOMA COMPLETES ACQUISITION OF DIGIUM

MARKHAM, ON, September 5, 2018 – Sangoma Technologies Corporation (TSX VENTURE: STC), a trusted leader in delivering Unified Communications solutions for SMBs, Enterprises, OEMs, and Service Providers, both on-premises and in the cloud, today announced that it completed its previously disclosed acquisition of Digium.

“We are very excited to come together with Digium,” said Bill Wignall, President and CEO of Sangoma. “Our customers will be the ultimate benefactors of this transaction, with the combined company establishing itself as the leader in enterprise, value-based communications. We remain committed to innovation in our product portfolio.”

Outlook for fiscal year 2019 to include the Digium acquisition

Sangoma had previously provided guidance of \$55 million in revenue and \$6 million in EBITDA for fiscal year 2018 which ended on June 30. On August 2, the company announced that preliminary, unaudited revenue for the full fiscal 2018 year was approximately \$57 million, and that adjusted EBITDA¹ would exceed guidance. Further financial details for fiscal 2018 will be released in October as is customary, after Sangoma’s audit cycle is complete.

Typically, the company would provide guidance for its fiscal 2019 year, once the 2018 audited results are released. Given the significance of this transaction and requests from shareholders for additional information, Sangoma is releasing its outlook for FY2019 earlier than normal this year. This will provide investors with an indication of how the integration of Digium will affect our outlook for the consolidated company.

It is expected that this transaction will increase revenue to about \$100 million in fiscal 2019, with over 35% of that being recurring/services revenue. The company anticipates generating adjusted EBITDA¹ of between \$9 and \$10 million this fiscal year and further expects adjusted EBITDA¹ margins to expand to over 13% by fiscal 2020, after overall synergies from this transaction are fully in place (anticipated to be about \$4 million).

Transaction Financing

Sangoma secured additional debt of approximately \$21 million with TD Bank, its existing lender, bringing Sangoma’s total credit facilities to about \$28 million, of which approximately \$25 million will be outstanding at closing. The new credit facility with TD Bank was drawn in US dollars and will be repaid over 7 years. The new debt is a mix of fixed rate and variable rate loans with about US\$12 million at a fixed rate of 6.18% and the balance of about US\$4 million at a variable rate of TD’s US dollar base rate plus 1.25%, which is currently 6.25%. Sangoma’s net debt-to-adjusted EBITDA ratio at closing (as defined in the TD Bank facility) is about 2.5 (well under the requirements of the TD loan) and is expected to decline during fiscal 2019. In addition to the cash on hand at closing of approximately \$2 million, Sangoma has \$3.5 million available under its currently unused revolving credit facility with TD Bank.

1. *Sangoma defines adjusted EBITDA as earnings before interest, taxes, depreciation, amortization, and one-time acquisition and associated expenses.*

About Sangoma Technologies Corporation

Sangoma Technologies provides Asterisk® software and is a trusted leader in delivering Unified Communications and Unified Communications as a Service (UCaaS) solutions for SMBs, Enterprises, OEMs, Carriers and service providers. Sangoma's globally scalable offerings also include industry leading Voice-Over-IP solutions, which together provide seamless connectivity between traditional infrastructure and new technologies. Sangoma's products and services are used in leading PBX, IVR, contact center, carrier networks and data-communication applications worldwide. Businesses can achieve enhanced levels of collaboration, productivity and ROI with Sangoma.

Founded in 1984, Sangoma Technologies Corporation is publicly traded on the TSX Venture Exchange (TSX VENTURE: STC). Additional information on Sangoma can be found by visiting <https://www.sangoma.com>.