UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 2025

Commission File Number: 001-41175

Sangoma Technologies Corporation

(Exact name of Registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

100 Renfrew Drive

Suite 100
Markham, Ontario, Canada L3R 9R6
(905) 474-1990
(Address and telephone number of registrant’s principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F [ ] Form 40-F [X]

INCORPORATION BY REFERENCE

Exhibits 99.1 and 99.2 of this Form 6-K is incorporated by reference as an additional exhibit to the registrant's Registration Statements on Form F-10 (File No. 333-261071) and Form F-3 (File No. 333-270918).

DOCUMENTS INCLUDED AS PART OF THIS REPORT

Exhibit	
99.1	Unaudited Condensed Consolidated Interim Financial Statements of the Registrant for the three and six month periods ended December 31, 2024 and 2023
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations of the Registrant for the three and six month periods ended December 31, 2024 and 2023
99.3	Press Release dated February 5, 2025, titled "Sangoma Announces Second Quarter Fiscal 2025 Results"
99.4	Form 52-109F2 Certificate of Interim Filings by CEO (pursuant to Canadian regulations)
99.5	Form 52-109F2 Certificate of Interim Filings by CFO (pursuant to Canadian regulations)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Sangoma Technologies Corporation	
Date: February 5, 2025	By:	/s/ Larry Stock
		Name: Larry Stock
		Title: Chief Financial Officer

SANGOMA TECHNOLOGIES CORPORATION

Condensed consolidated interim financial statements for the

three and six month periods ended December 31, 2024 and 2023

(Unaudited in thousands of US dollars)

100 Renfrew Drive, Suite 100,

Markham, Ontario,
Canada L3R 9R6

Sangoma Technologies Corporation

Three and six month periods December 31, 2024 and 2023

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Sangoma Technologies Corporation

Condensed consolidated interim statements of financial position

As at December 31, 2024, and June 30, 2024

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

	Note	**December 31, 2024**	June 30, 2024
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**17,065**	16,231
Trade and other receivables	4	**14,011**	18,596
Inventories	6	**13,117**	14,768
Sales tax receivable		**530**	485
Income tax receivable		**484**	956
Contract assets		**1,330**	1,479
Derivative assets	15	**385**	727
Other current assets		**3,059**	3,867
		49,981	57,109
Non-current assets			
Property and equipment	7	**7,119**	8,394
Right-of-use assets	8	**8,868**	10,164
Intangible assets	9	**107,731**	124,128
Development costs	10	**7,813**	7,810
Deferred income tax assets		**2,043**	2,334
Goodwill	12	**187,502**	187,502
Contract assets		**2,090**	2,418
Derivative assets	15	**166**	320
Other non-current assets		**369**	466
		373,682	400,645
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4	**19,125**	21,450
Provisions	13	**405**	405
Sales tax payable		**5,264**	5,955
Income tax payable		**145**	115
Operating facility and loans	15	**22,775**	19,875
Contract liabilities	16	**8,346**	9,582
Lease obligations on right-of-use assets	8	**2,277**	2,722
		58,337	60,104
Long term liabilities			
Operating facility and loans	15	**37,600**	57,950
Contract liabilities	16	**2,838**	3,072
Non-current lease obligations on right-of-use assets	8	**7,672**	8,562
Deferred income tax liabilities		**7,653**	9,895
Other non-current liabilities		**2,275**	1,332
		116,375	140,915
Shareholders' equity			
Share capital		**382,380**	380,986
Contributed surplus		**20,425**	20,053
Accumulated other comprehensive income		**228**	626
Accumulated deficit		**(145,726)**	(141,935)
		257,307	259,730
		373,682	400,645

Approved by the Board

(Signed)	Al Guarino	Director
(Signed)	Allan Brett	Director

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

Sangoma Technologies Corporation

Condensed consolidated interim statements of loss and comprehensive loss

For the three and six month periods ended December 31, 2024 and 2023

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

	Note	Three month periods ended December 31,		Six month periods ended December 31,	
		2024	2023	**2024**	2023
		$	$	**$**	$
Revenue	19	**59,113**	62,276	**119,263**	125,304
Cost of sales		**18,625**	18,290	**37,594**	37,290
Gross profit		**40,488**	43,986	**81,669**	88,014
Expenses					
Sales and marketing		**12,599**	14,652	**25,155**	31,169
Research and development	10	**10,323**	10,005	**21,665**	19,320
General and administration		**10,175**	11,518	**20,135**	22,326
Amortization of intangible assets	9	**8,199**	8,362	**16,397**	16,723
Interest expense (net)	4,15	**1,105**	1,795	**2,483**	3,457
Restructuring and business integration costs		**242**	1,335	**242**	1,491
Loss on change in fair value of consideration payable	14	**—**	202	**—**	202
Loss before income tax		**(2,155)**	(3,883)	**(4,408)**	(6,674)
Provision for income taxes					
Current	11	**883**	279	**1,374**	664
Deferred	11	**(1,157)**	(923)	**(1,991)**	(1,655)
Net loss		**(1,881)**	(3,239)	**(3,791)**	(5,683)
Other comprehensive loss					
Items to be reclassified to net loss					
Loss in fair value of interest rate swaps, net of tax	11,15	**(74)**	(481)	**(398)**	(574)
Comprehensive loss		**(1,955)**	(3,720)	**(4,189)**	(6,257)
Loss per share					
Basic and diluted	17(iii)	**$ (0.06)**	$ (0.10)	**$ (0.11)**	$ (0.17)
Weighted average number of shares outstanding					
Basic and diluted	17(iii)	**33,419,116**	33,154,121	**33,478,400**	33,246,940

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

Sangoma Technologies Corporation

Condensed consolidated interim statements of changes in shareholders' equity

For the six month periods ended December 31, 2024 and 2023

(Unaudited 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, 2023		33,038,367	379,924	18,132	1,335	(133,276)	266,115
Net loss		—	—	—	—	(5,683)	(5,683)
Change in fair value of interest rate swaps, net of tax	15	—	—	—	(574)	—	(574)
Common shares issued for RSU exercised	17(i),17(ii)	287,208	991	(991)	—	—	—
Share-based compensation expense	17(ii)	—	—	1,518	—	—	1,518
Balance, December 31, 2023		**33,325,575**	**380,915**	**18,659**	**761**	**(138,959)**	**261,376**
Balance, July 1, 2024		33,340,159	380,986	20,053	626	(141,935)	259,730
Net loss		—	—	—	—	(3,791)	(3,791)
Change in fair value of interest rate swaps, net of tax	15	—	—	—	(398)	—	(398)
Common shares issued for RSU exercised	17(i),17(ii)	252,375	1,394	(1,394)	—	—	—
Share-based compensation expense	17(ii)	—	—	1,766	—	—	1,766
Balance, December 31, 2024		**33,592,534**	**382,380**	**20,425**	**228**	**(145,726)**	**257,307**

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

Sangoma Technologies Corporation

Condensed consolidated interim statements of cash flows

For the six month periods ended December 31, 2024 and 2023

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

	Note	Six month periods ended December 31, 2024	2023
Operating activities		**$**	$
Net loss		**(3,791)**	(5,683)
Adjustments for:			
Depreciation of property and equipment	7	**2,091**	2,123
Depreciation of right-of-use assets	8	**1,331**	1,490
Amortization of intangible assets	9	**16,397**	16,723
Amortization of development costs	10	**2,946**	2,030
Income tax expense (recovery)	11	**(617)**	(991)
Income tax (paid)		**(422)**	(199)
Share-based compensation expense	17(ii)	**1,766**	1,518
Unrealized foreign exchange loss (gain)		**17**	(35)
Accretion expense	8	**161**	210
Loss on disposal of property and equipment	7	**131**	237
Loss on change in fair value of consideration payable	14	**—**	202
Changes in working capital			
Trade and other receivables		**4,585**	1,817
Inventories		**1,651**	846
Sales tax receivable		**(45)**	137
Contract assets		**477**	375
Other assets		**905**	1,278
Sales tax payable		**(691)**	(366)
Accounts payable and accrued liabilities		**(2,325)**	(4,417)
Provisions		**—**	252
Other non current liabilities		**943**	747
Contract liabilities		**(1,470)**	(1,257)
Net cash provided by operating activities		**24,040**	17,037
Investing activities			
Purchase of property and equipment	7	**(947)**	(1,634)
Development costs	10	**(3,295)**	(3,397)
Net cash flows used in investing activities		**(4,242)**	(5,031)
Financing activities			
Repayments of operating facility and loan	15	**(17,450)**	(8,850)
Repayment of lease obligations on right-of-use assets	8	**(1,514)**	(1,654)
Payment of consideration payable	14	**—**	(2,096)
Net cash flows used in financing activities		**(18,964)**	(12,600)
Increase (Decrease) in cash and cash equivalents		**834**	(594)
Cash and cash equivalents, beginning of the period		**16,231**	11,156
Cash and cash equivalents, end of the period		**17,065**	10,562

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

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, its legal name is Sangoma Technologies Corporation and its primary operating subsidiaries as of December 31, 2024 are Sangoma Technologies Inc., Sangoma US Inc., NetFortris Corporation, and VoIP Supply LLC. On December 31, 2024, the Company completed the merger of Digium Inc; Star2Star Communications LLC and VoIP Innovations LLC into Sangoma US Inc.

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 100 Renfrew Dr., Suite 100, Markham, Ontario, L3R 9R6 and the Company operates in multiple jurisdictions.

Significant accounting policies

Statement of compliance and basis of presentation

These interim financial statements for the three and six month periods ended December 31, 2024 and 2023 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These interim financial statements do not include all of the disclosures required by International Financial Reporting Standards ("IFRS Accounting Standards") for annual consolidated financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2024 ("annual financial statements") prepared in accordance with IFRS Accounting Standards.

Significant accounting judgements, estimates and uncertainties

These unaudited condensed consolidated interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended June 30, 2024. They were prepared using the same critical estimates and judgments in applying the accounting policies as those of the audited consolidated financial statements for the year ended June 30, 2024.

The preparation of the interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported assets, liabilities, revenue and expenses, consistent with those described in the Company's annual financial statements and as described in these interim financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with the corresponding effect on profit or loss, when, and if, better information is obtained.

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

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.

Cash and cash equivalents are comprised of:

	December 31, 2024	June 30, 2024
	$	$
Cash at bank and on hand	**17,065**	16,231

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 December 31, 2024 and June 30, 2024 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:

		Three month periods ended December 31,		**Six month periods ended December 31,**	
	Note	**2024**	2023	**2024**	2023
		$	$	**$**	$
Interest expense	15	**1,027**	1,693	**2,322**	3,247
Accretion expense	8	**78**	102	**161**	210
Interest expense (net)		**1,105**	1,795	**2,483**	3,457

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.

	December 31, 2024	June 30, 2024
	$	$
Trade receivables	**14,011**	16,025
Receivable related to working capital adjustment	**—**	2,571
Trade and other receivables	**14,011**	18,596

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

During the three and six month periods ended December 31, 2024, the Company received $982 cash (December 31, 2023 - $1,164) and had a reduction of $1,589 to the sales tax liability (December 31, 2023 - $nil) from the escrow account for the working capital provision related to certain indemnification assets recorded in respect of liabilities assumed on the acquisition of NetFortris. The remaining balance is $nil as at December 31, 2024 (June 30, 2024 - $2,571).The funds held in the escrow accounts were settled in full and all final funds were released during the six month period ended December 31, 2024.

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:

	December 31, 2024	June 30, 2024
	$	$
Trade receivables aging:		
0-30 days	**11,550**	12,229
31-90 days	**1,775**	2,995
Greater than 90 days	**1,766**	2,170
	15,091	17,394
Expected credit loss provision	**(1,080)**	(1,369)
Net trade receivables	**14,011**	16,025

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

	December 31, 2024	June 30, 2024
	$	$
Expected credit loss provision:		
Expected credit loss provision, beginning balance	**(1,369)**	(1,566)
Net change in expected credit loss provision during the period	**289**	197
Expected credit loss provision, ending balance	**(1,080)**	(1,369)

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.

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.

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.

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

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 December 31, 2024:

	within 12 months	13-24 months	25-36 months	>36 months	Total
	$	$	$	$	**$**
Accounts payable and accrued liabilities	19,125	—	—	—	**19,125**
Sales tax payable	5,264	—	—	—	**5,264**
Operating facility and loans	22,775	20,600	14,038	2,962	**60,375**
Lease obligations on right of use assets	2,537	1,861	1,463	5,087	**10,948**
Other non-current liabilities	—	—	—	2,275	**2,275**
	49,701	**22,461**	**15,501**	**10,324**	**97,987**

Foreign currency risk

A portion of the Company's transactions occur in a foreign currency (Canadian Dollars (CAD), Euros (EUR), Great British Pounds (GBP), Indian Rupees (INR), Philippine Peso (PHP), Australian Dollar (AUD), and Columbia Peso (COP), 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 December 31, 2024, a 10% depreciation or appreciation of the CAD, EUR, GBP, INR, PHP, AUD and COP currencies against the U.S. dollar would have resulted in an approximate $5 (June 30, 2024 - $46) 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 15) which bears interest at a floating rate. As at December 31, 2024, a change in the interest rate of 1% per annum would have an impact of approximately $484 (December 31, 2023 - $753) per annum in finance costs. The Company also entered an interest rate swap arrangement for its loan facility (Note 15) to manage the exposure to changes in SOFR-rate based interest rate. As described in detail in Note 15, the fair value of the interest rate swaps are a current asset of $385 and non-current asset of $166 on December 31, 2024 (June 30, 2024 - current asset of $727 and non-current asset of $320).

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 period, and apart from the financial covenants as discussed in Note 15, the Company is not subject to any other capital requirements imposed by external parties.

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

Inventories

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

	December 31, 2024	June 30, 2024
	$	$
Finished goods	**9,215**	10,740
Components and parts	**5,630**	5,537
	14,845	16,277
Provision for obsolescence	**(1,728)**	(1,509)
Net inventory carrying value	**13,117**	14,768

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

Property and equipment

	Office furniture and computer equipment	Software	Stockroom and production equipment	Tradeshow equipment	Leasehold improvements	Total
Cost	$	$	$	$	$	$
Balance at July 1, 2023	5,366	458	12,867	47	450	19,188
Additions	660	42	3,368	—	60	4,130
Disposals	(52)	—	(579)	—	—	(631)
Balance at June 30, 2024	5,974	500	15,656	47	510	22,687
Additions	251	—	696	—	—	947
Disposals	(3)	—	(368)	—	—	(371)
Balance at December 31, 2024	**6,222**	**500**	**15,984**	**47**	**510**	**23,263**
Accumulated depreciation						
Balance at July 1, 2023	3,364	434	5,906	47	285	10,036
Depreciation expense	815	22	3,539	—	119	4,495
Disposals	—	—	(238)	—	—	(238)
Balance at June 30, 2024	4,179	456	9,207	47	404	14,293
Depreciation expense	370	11	1,689	—	21	2,091
Disposals	—	—	(240)	—	—	(240)
Balance at December 31, 2024	**4,549**	**467**	**10,656**	**47**	**425**	**16,144**
Net book value as at:						
Balance at June 30, 2024	1,795	44	6,449	—	106	8,394
Balance at December 31, 2024	**1,673**	**33**	**5,328**	—	**85**	**7,119**

For the three and six month periods ended December 31, 2024, depreciation expenses of $209 and $420 (three and six month periods ended December 31, 2023- $247 and $492) were recorded in general and administration expense in the condensed consolidated interim statements of loss and comprehensive loss. Depreciation expenses in the amounts of $797 and $1,671 were included in cost of sales for the three and six month periods ended December 31, 2024 (three and six month periods ended December 31, 2023 - $803 and $1,631). For the three and six month periods ended December 31, 2024, loss on disposal of $55 and $131 (three and six month periods ended December 31, 2023- $155 and $237) were recorded in general and administration expense in the condensed consolidated interim statements of loss and comprehensive loss.

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

Leases: Right-of-use assets and lease obligations

The Company's lease obligations and right-of-use assets are presented below:

	Right-of-use assets
	$
Present value of leases	
Balance as at July 1, 2023	22,182
Additions	814
Terminations	(3,239)
Balance at June 30, 2024	19,757
Additions	93
Terminations	(601)
Balance at December 31, 2024	**19,249**
Accumulated depreciation and repayments	
Balance as at July 1, 2023	9,030
Depreciation expense	2,870
Terminations	(2,307)
Balance at June 30, 2024	9,593
Depreciation expense	1,331
Terminations	(543)
Balance at December 31, 2024	**10,381**
Net book value as at:	
June 30, 2024	10,164
December 31, 2024	**8,868**

	Lease obligations
	$
Present value of leases	
Balance as at July 1, 2023	14,331
Additions	814
Repayments	(3,163)
Accretion expense	394
Terminations	(1,086)
Effects of movements on exchange rates	(6)
Balance at June 30, 2024	11,284
Additions	93
Repayments	(1,514)
Accretion expense	161
Terminations	(68)
Effects of movements on exchange rates	(7)
Balance at December 31, 2024	**9,949**
Lease Obligations - Current	**2,277**
Lease Obligations - Non-current	**7,672**
	9,949

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

Intangible assets

	Purchased technology	Customer relationships	Brand	Other purchased intangibles	Total
	$	$	$	$	$
Cost					
Balance at July 1, 2023	110,123	126,456	6,787	2,748	246,114
Balance at June 30, 2024	110,123	126,456	6,787	2,748	246,114
Balance at December 31, 2024	**110,123**	**126,456**	**6,787**	**2,748**	**246,114**
Accumulated amortization					
Balance at July 1, 2023	41,576	40,821	3,586	2,694	88,677
Amortization expense	17,683	14,948	624	54	33,309
Balance at June 30, 2024	59,259	55,769	4,210	2,748	121,986
Amortization expense	8,692	7,397	308	—	16,397
Balance at December 31, 2024	**67,951**	**63,166**	**4,518**	**2,748**	**138,383**
Net book value as at:					
Balance at June 30, 2024	50,864	70,687	2,577	—	124,128
Balance at December 31, 2024	**42,172**	**63,290**	**2,269**	**—**	**107,731**

Amortization of intangible assets for the three and six month periods ended December 31, 2024 were $8,199 and $16,397 (three and six month periods ended December 31, 2023 - $8,362 and $16,723).

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

. **Development costs**

Cost	**$**
Balance at July 1, 2023	12,051
Additions	6,782
Cost fully amortized	(309)
Investment tax credits	(822)
Balance at June 30, 2024	17,702
Additions	3,295
Investment tax credits	(346)
Balance at December 31, 2024	**20,651**
Accumulated amortization	
Balance at July 1, 2023	(5,482)
Amortization	(4,480)
Cost fully amortized	70
Balance at June 30, 2024	(9,892)
Amortization	(2,946)
Balance at December 31, 2024	**(12,838)**

	December 31, 2024	June 30, 2024
	$	$
Net capitalized development costs	**7,813**	7,810

Amortization expense is included in research and development expense in the consolidated interim statements of loss and comprehensive loss. For the three and six month periods ended December 31, 2024, amortization were $1,520 and $2,946 (December 31, 2023 - $1,058 and $2,030). In addition to the above amortization, the Company has recognized $8,803 and $18,719 of engineering expenditures as expenses during the three and six month periods ended December 31, 2024 (December 31, 2023 - $8,947 and $17,290).

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

. Income tax

The Company income tax expense is determined as follows:

	Three month periods ended December 31,		Six month periods ended December 31,	
	2024	2023	**2024**	2023
Statutory income tax rate	**25.76%**	25.62%	**25.76%**	25.62%
	$	$	**$**	$
Loss before income tax	**(2,155)**	(3,883)	**(4,408)**	(6,674)
Expected income tax recovery	**(554)**	(994)	**(1,135)**	(1,709)
Difference in foreign tax rates	**4**	5	**4**	13
Share based compensation	**268**	219	**455**	389
Other non deductible expenses	**(33)**	(32)	**(57)**	(62)
Changes in estimates	**—**	(193)	**1**	1
Scientific Research and Experimental Development (SR&ED)	**23**	18	**43**	44
Gain on consideration payable	**—**	51	**—**	51
Changes in tax benefits not recognized	**18**	282	**72**	282
Income tax recovery	**(274)**	(644)	**(617)**	(991)
The Company's income tax expense is allocated as follows:	**$**	$	**$**	$
Current tax expense	**883**	279	**1,374**	664
Deferred income tax recovery	**(1,157)**	(923)	**(1,991)**	(1,655)
Income tax recovery	**(274)**	(644)	**(617)**	(991)

. Goodwill

The carrying amount and movements of goodwill was as follows:

	$
Balance at July 1, 2023	187,502
Balance at June 30, 2024	187,502
Balance at December 31, 2024	**187,502**

There is no addition to goodwill for the three and six month periods ended December 31, 2024. The Company has evaluated for triggers of impairment at December 31, 2024 and has not identified any indicators of impairment.

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

. **Provisions**

	$
Balance at July 1, 2023	237
Additional provision recognized	168
Balance at June 30, 2024	405
Balance at December 31, 2024	**405**

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.

. **Consideration payable**

During the three and six month periods ended December 31, 2024, the Company made payments of $nil (December 31, 2023 $2,096). As of December 31, 2024, the Company's has no outstanding balance of consideration payable (December 31, 2023 - $nil).

The fair value of consideration payable as at December 31, 2024 is summarized below:

	$
Opening balance, July 1, 2023	1,894
Payments	(2,096)
Remeasurement during the period	202
Ending balance, June 30, 2024	—
Ending balance, December 31, 2024	**—**

. **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 will be fully repaid on September 30, 2025. Separately, as required under the agreement, the Company locked in half of the original loan amount by entering a five years interest rate credit swap with the two banks for $8,700 each. The balance outstanding against this term loan facility as of December 31, 2024 is $4,350 (June 30, 2024 - $7,250). As at December 31, 2024, term loan facility balance of $4,350 (June 30, 2024 - $5,800) is classified as current and $nil (June 30, 2024 - $1,450) as long-term in the condensed consolidated interim statements of financial position.

(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 December 31, 2024 is $19,688 (June 30, 2024 - $24,063). As at December 31, 2024, $8,750 (June 30, 2024 - $8,750) is classified as current and $10,938 (June 30, 2024 - $15,313) is classified as long-term in the condensed consolidated interim 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 will be made on June 30, 2025. The balance outstanding against this term loan facility as of December 31, 2024 is $36,337 (June 30, 2024 - $37,912). As at December 31, 2024, $9,675 (June 30, 2024 - $5,325) is classified as current and $26,662 (June 30, 2024 - $32,587) is classified as long-term in the condensed consolidated interim 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 December 31, 2024, there is no outstanding balance on the revolving credit facility (June 30, 2024 - $8,600).

For the three and six month periods ended December 31, 2024, the Company incurred interest costs to service its borrowing facilities, comprising of the loans and operating facilities, in the amount of $1,027 and $2,322 (December 31, 2023 - $1,693 and $3,247). During the six month period ended December 31, 2024, the Company borrowed $nil (December 31, 2023 - $nil) in term loans and repaid $8,850 (December 31, 2023 - $8,850) in term loans. During the three and six month periods ended December 31, 2024, the Company repaid $4,300 and $8,600 (December 31, 2023 - $nil and $nil) 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 December 31, 2024, and June 30, 2024 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 condensed consolidated interim 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 condensed consolidated interim 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 December 31, 2024, the notional amount of the interest rate swap was $19,688 (June 30, 2024 – $27,845). The interest rate swap has a weighted average fixed rate of 1.80% (June 30, 2024 – 1.80%) and have been designated as an effective cash flow hedge and therefore qualifies for hedge accounting.

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

As at December 31, 2024, the fair value of the interest rate swap assets were valued at current of $385 (June 30, 2024 - $727) and non-current $166 (June 30, 2024 – $320). The current and non-current derivative assets were recorded in the condensed consolidated interim statements of financial position.

For the three and six month periods ended December 31, 2024, the change in fair value of the interest rate swaps, net of tax, were loss of $74 and $398 (three and six month periods ended December 31, 2023 – loss of $481 and $574) was recorded in other comprehensive loss in the condensed consolidated interim 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.

. **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 December 31, 2024, and June 30, 2024 are below:

	$
Opening balance, July 1, 2023	14,551
Revenue deferred during the period	38,500
Deferred revenue recognized as revenue during the period	(40,397)
Ending balance, June 30, 2024	12,654
Revenue deferred during the period	19,253
Deferred revenue recognized as revenue during the period	(20,723)
Ending balance, December 31, 2024	**11,184**
Contract liabilities - Current	8,346
Contract liabilities - Non-current	2,838
	11,184

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

. **Shareholders' equity**

(i) Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at December 31, 2024 and 2023, the Company's issued and outstanding common shares consist of the following:

	Three month periods ended December 31,		Six month periods ended December 31,	
	2024	2023	**2024**	2023
	#	#	**#**	#
Shares issued and outstanding:				
Outstanding, beginning of the period	**33,537,684**	33,184,200	**33,340,159**	33,038,367
Shares issued upon exercise of RSUs	**54,850**	141,375	**252,375**	287,208
Outstanding, end of the period	**33,592,534**	33,325,575	**33,592,534**	33,325,575

During the six month period ended December 31, 2024, a total of nil (December 31, 2023 – nil) options were exercised for cash consideration of $nil (December 31, 2023 - $nil), and the Company recorded a charge of $nil (December 31, 2023 – $nil) from contributed surplus to share capital.

During the six month period ended December 31, 2024, a total of 252,375 (December 31, 2023 – 287,208) shares were issued upon the exercise of Restricted Share Units, and the Company recorded a charge of $1,394 (December 31, 2023 –$991) from contributed surplus to share capital.

(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, Performance Share Units (PSUs), Restricted Share Units (RSUs) and Deferred Share Units (DSUs). The PSUs, RSUs and DSUs 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 PSUs, RSUs and DSUs 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.

PSUs vest in full at the end of a three-year period. For PSUs granted prior to fiscal 2024 and in the current fiscal 2025, the final amount is based 50% 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 (i) based on the fair value of the awards at the grant date using the Monte Carlo simulation, for the market-based performance targets, and (ii) 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 during fiscal 2024, the final amount is based 100% on market-based performance targets.

For the three and six month periods ended December 31, 2024, the Company recognized share-based compensation expense in the amount of $1,038 and $1,766 (December 31, 2023 - $856 and $1,518).

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

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 six month period ended December 31, 2024 and December 31, 2023, 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, 2023	723,051	13.58
Forfeited	(199,181)	(10.40)
Balance, December 31, 2023	523,870	14.79
Balance, July 1, 2024	462,346	15.21
Expired	(3,534)	(12.51)
Forfeited	(29,701)	(16.63)
Balance, December 31, 2024	**429,111**	**15.13**

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

	December 31, 2024			December 31, 2023		
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	**103,831**	**70,231**	**2.50**	146,627	65,129	3.50
$9.01 - $12.00	**74,975**	**69,225**	**0.42**	85,526	61,597	1.42
$12.01 - $15.00	**43,878**	**30,767**	**2.25**	45,000	19,695	3.25
$15.01 - $18.00	**115,565**	**102,406**	**1.50**	133,010	84,482	2.50
$18.01 - $20.00	**22,856**	**18,604**	**1.50**	22,856	12,876	2.50
$20.01 - $27.00	**68,006**	**64,069**	**1.11**	90,851	63,682	2.11
	429,111	**355,302**	**1.57**	523,870	307,461	2.60

Share Units

The following table summarizes information about the DSUs, RSUs and PSUs granted, exercised and forfeited during the six month period ended December 31, 2024.

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

	DSU	PSU	RSU	Total
Awards outstanding July 1, 2023	66,391	130,000	130,000	326,391
Awards granted during the period	105,695	379,800	772,700	1,258,195
Awards exercised during the period	—	—	(287,208)	(287,208)
Awards forfeited during the period	—	(42,500)	(26,251)	(68,751)
Awards outstanding December 31, 2023	172,086	467,300	589,241	1,228,627
Awards outstanding July 1, 2024	172,086	499,800	607,157	1,279,043
Awards granted during the period	64,356	271,000	271,000	606,356
Awards exercised during the period	—	—	(252,375)	(252,375)
Awards forfeited during the period	—	(52,500)	(25,623)	(78,123)
Awards outstanding December 31, 2024	**236,442**	**718,300**	**600,159**	**1,554,901**

During the six month period ended December 31, 2024, 64,356 DSUs were granted (December 31, 2023 – 105,695). The fair value of each DSU issued during the six month period ended December 31, 2024 is $6.06 per share (December 31, 2023 – $3.07).

During the six month period ended December 31, 2024, 271,000 PSUs were granted (December 31, 2023 – 379,800). The average fair value tied to market-based performance targets for each PSU issued during the six month period ended December 31, 2024 is $6.68 per share (December 31, 2023 – $3.44) using the Monte Carlo simulation.

The key assumptions used in the Monte Carlo simulation are:

	Six month periods ended December 31	
	2024	2023
Share price	$6.68	$3.44
Expected volatility	64.00%	64.00%
Time to expiry	2.76 years	2.57 years
Risk-free interest rate	3.42%	4.40%

During the six month period ended December 31, 2024, 271,000 RSUs were granted (December 31, 2023 – 772,700). The average fair value of each RSU issued during the six month period ended December 31, 2024 is $5.65 per share (December 31, 2023 –$3.11).

During the six month period ended December 31, 2024, 252,375 RSUs were exercised and settled through the issuance of common shares (December 31, 2023 – 287,208).

(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.

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

	Three month periods ended December 31, 2024	2023	Six month periods ended December 31, 2024	2023
Number of shares:				
Weighted average number of shares outstanding	**33,419,116**	33,154,121	**33,478,400**	33,246,940
Weighted average number of shares used in basic and diluted earnings per share	**33,419,116**	33,154,121	**33,478,400**	33,246,940
Net loss	**$ (1,881)**	$ (3,239)	**$ (3,791)**	$ (5,683)
Loss per share				
Basic and diluted loss per share	**$ (0.06)**	$ (0.10)	**$ (0.11)**	$ (0.17)

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.

	Six month periods ended December 31, 2024	2023
DSU	236,442	172,086
PSU	718,300	467,300
RSU	600,159	589,241
Stock options	429,111	523,870
	1,984,012	1,752,497

. 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 had incurred no related party transactions and had no outstanding balance with related parties for the six month periods ended December 31, 2024 and 2023.

. 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 majority of the Company's assets are located in Canada and 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 three and six month periods ended December 31, 2024 and 2023 as follows:

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

	Three month periods ended December 31,		**Six month periods ended December 31,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Products	**10,306**	11,573	**20,763**	23,445
Services	**48,807**	50,703	**98,500**	101,859
Total revenues	**59,113**	62,276	**119,263**	125,304

The sales in each of these geographic locations for the three and six month periods ended December 31, 2024 and 2023 as follows:

	Three month periods ended December 31,		**Six month periods ended December 31,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
USA	**55,670**	58,010	**112,423**	116,703
Others	**3,443**	4,266	**6,840**	8,601
Total revenues	**59,113**	62,276	**119,263**	125,304

The non-current assets, in US dollars, in each of the geographic locations as at December 31, 2024, and June 30, 2024 are below:

	December 31, 2024	June 30, 2024
	$	$
USA	**318,719**	338,079
Others	**4,982**	5,457
Total non-current assets	**323,701**	343,536

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

. **Authorization of the consolidated financial statements**

The condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on February 5, 2025.

Management discussion and analysis of financial condition and results of operations for the three and six month periods ended December 31, 2024

TABLE OF CONTENTS

INTRODUCTION

As used in this Management Discussion and Analysis ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "Sangoma", "we", "us", or "our" refer to Sangoma Technologies Corporation, together with our subsidiaries, on a consolidated basis as constituted on December 31, 2024. The MD&A is for the three and six month periods ended December 31, 2024 as compared to the same periods in the previous year. This MD&A should be read in conjunction with Sangoma's unaudited condensed consolidated interim financial statements and related notes for the three and six month periods ended December 31, 2024, and audited annual consolidated financial statements and related notes as at and for the year ended June 30, 2024 ("Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All amounts are in thousands of United States dollars except where otherwise indicated.

Additional information about us, including copies of our continuous disclosure materials, is available on our website at www.sangoma.com, through the EDGAR website at www.sec.gov or through the SEDAR+ website at www.sedarplus.ca.

This MD&A is dated as of February 5, 2025.

NON-IFRS MEASURES

This MD&A contains references to certain non-IFRS financial measures such as Adjusted EBITDA. Non-IFRS financial 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. Non-IFRS financial measures used herein have been applied on a consistent basis. "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 and change in fair value of consideration payable. Adjusted EBITDA is a measure used by many investors to compare issuers. We believe that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities before taking into consideration how they are financed, taxed, depreciated or amortized. Investors are cautioned that non-IFRS financial measures, such as those presented herein, should not be construed as an alternative to net income or cash flow determined in accordance with IFRS. The reconciliation of the closest IFRS measure to the non-IFRS measure is set out on pages 14 herein.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities. 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, statements relating to expected inventory levels, statements relating to future lease and interest payments, , statements concerning estimates of expected expenditures, statements relating to expected future production and cash flows, and other statements which are not historical facts.

When used in this document, the words such as “could”, “plan”, “estimate”, “will”, “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.

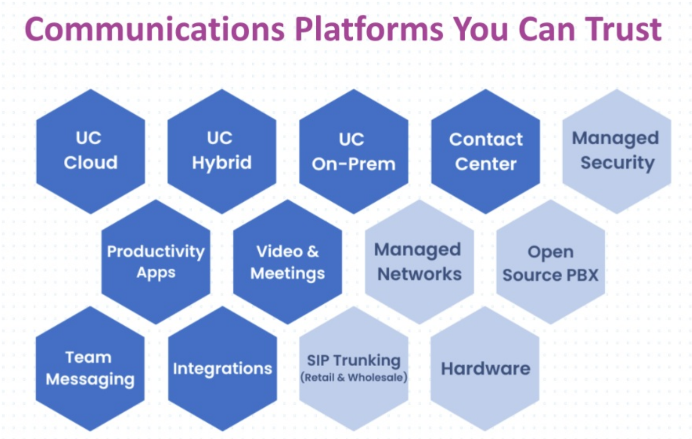
Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, 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 herein include, but are not limited to, risks and uncertainties associated with changes in exchange rate between the Canadian dollar and other currencies (in particular the United States’ (“US”) dollar), changes in technology, changes in the business climate, changes to macroeconomic conditions, including (i) inflationary pressures and potential recessionary conditions, as well as actions taken by central banks and regulators across the world in an attempt to reduce, curtail and address such pressures and conditions, including any increases in interest rates, and (ii) the effects of adverse developments at financial institutions, including bank failures, that impact general sentiment regarding the stability and liquidity of banks, and the resulting impact on the stability of the global financial markets at large, risks related to pandemics or epidemics, our ability to identify and effectively remediate material weaknesses and significant deficiencies in our internal controls, our current level of indebtedness and the ability to incur additional indebtedness in the near- and long-term; changes in the regulatory environment, the imposition of tariffs, the decline in the importance of the PSTN (as hereinafter defined), impairment of goodwill and new competitive pressures, political disturbances, geopolitical instability and tensions, or terrorist attacks, and associated changes in global trade policies and economic sanctions, including, but not limited to, in connection with (x) the ongoing conflict in Ukraine (the “Russo-Ukraine War”) and (y) any impact, effect, damage, destruction and/or bodily harm directly or indirectly relating to the ongoing hostilities in the Middle East, and technological changes impacting the development of our products and implementation of our business needs, including with respect to automation and the use of artificial intelligence (“AI”) and the other risk factors described in our most recently filed Annual Information Form for the fiscal year ended June 30, 2024.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by law.

OVERVIEW

Sangoma 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 deployments. Additionally, Sangoma's integrated approach 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 in the Gartner UCaaS Magic Quadrant. As the primary developer and sponsor of the open source Asterisk and FreePBX projects, Sangoma is determined to continuously drive innovation in communication technology.

Please refer to the Glossary of Terms for detailed definitions of terms used throughout this MD&A.



Unified Communications

Sangoma's UC platforms are business communication systems (PBXs with advanced UC features, such as presence/chat, conferencing, mobility, fax, and more) that fully integrate with our phones, soft clients, and network interoperability products.

We build our platforms in-house to provide reliable, affordable Unified Communications services with strong security. This approach reduces third-party vulnerabilities and allows us to swiftly troubleshoot and customize solutions for customers.

Cloud-Based Business Phone Solution (UCaaS)

Sangoma UC Cloud

Our intuitive cloud solutions seamlessly integrate voice, video, messaging, and call center capabilities into a single platform, enhancing productivity and streamlining operations at a fraction of the cost. Experience true white-glove support.

Sangoma UC Hybrid

Our hybrid UCaaS is powered by our unique cloud architecture, which includes our on-premises StarBox® appliance and cloud-based network backbone components. This blend of cloud and on-premises ensures unparalleled scalability, flexibility, and reliability for your business communications. It provides local survivability, multiple failover options (4G LTE / POTS lines) and multi-location flexibility.

On-Premises Business Phone Solution

Sangoma UC Prem

Sangoma also offers the more traditional on-premise UC phone system, giving administrators complete control over updates and integrations, to deploy their business phone system on-premises. Whether deployed on a dedicated appliance or in the customer's virtual environment, Sangoma provides the power and connectivity customers and partners can trust.

IP DeskPhone, headsets, UC Clients and Softphones

Sangoma offers a variety of IP deskphones and headsets for both cloud and on-premise systems, featuring HD Voice and seamless integration with UC systems. Their headsets support connectivity with phones or computers and allow roaming up to 325 feet. Additionally, Sangoma provides UC Clients and Softphones for making business calls via smartphone or computer, functioning as a primary phone or desk phone extension.

Additional Communications Products

Contact Center as a Service (CCaaS)

Sangoma CX is a cloud-based Contact Center as a Service (CCaaS) solution that enhances customer experience by integrating with UCaaS offerings. It enables businesses to manage inbound interactions across various channels and supports outbound call campaigns. With features like end-to-end encryption, AI automation, and an intuitive interface, it streamlines contact center operations for higher agent productivity and improved customer experience.

Communications Platform as a Service (CPaaS)

Sangoma CPaaS allows developers to create applications with real-time communication features like voice, video, chat, and SMS via the cloud. Sangoma provides a platform for developers and customers to build communication services using voice, APIs, WebRTC, and SMS. To ensure optimal performance, Sangoma offers its own SIP trunking service and sells communication apps based on their CPaaS product.

Video, meetings, and collaboration

Sangoma Meet is our video meetings, cloud-based service accessible from desktop or mobile. It enables file sharing on screen, integrates seamlessly with your calendar, and enables PSTN phone calls. TeamHub is Sangoma's collaboration platform, which allows users to interact via chatting, calling, and video.

Trunking

SIP trunks provide Internet-based telephony services using existing internet connections, eliminating the need for separate PSTN or digital connections. SIP trunking is increasingly popular for connecting an IP PBX system to a phone company due to cost efficiency and UC features. Sangoma offers two SIP trunking services: Retail SIP Trunking, with predictable monthly costs and easy integration into UC platforms, including a fax service; and Wholesale SIP Trunking, which is usage-based with a larger monthly minimum, suitable for large businesses. Additionally, Sangoma provides FaxStation, a hosted fax service with a telecom appliance for secure fax communication.

MSP Portfolio

Sangoma's cloud-based Managed Service Provider (MSP) offerings deliver essential communication services that businesses rely on, enhancing our comprehensive suite of Communications as a Service solutions. This MSP product line is founded on a seamlessly integrated, enterprise-grade, end-to-end managed network, all backed by a dedicated 24/7 team of expert network engineers.The current MSP offering includes: SD-WAN, Internet, VPN, 5G, and WiFi access points. Sangoma also provides Managed Security solutions, which include anti-spam & antivirus, VPN, content filtering, data protection, and interaction detection.

Hardware

Sangoma provides network interconnection products that seamlessly link various types of networks. These products enable the connection of VoIP networks to PSTN, mobile networks, or even to other VoIP networks, ensuring versatile and efficient communication.

Sangoma provides solutions for secure and interoperable VoIP network connections, including Session Border Controllers (SBCs) and VoIP gateways. SBCs manage security and connectivity between various networks, available as hardware, software, or hybrid solutions. VoIP gateways facilitate voice traffic between VoIP and traditional PSTN networks. Additionally, Sangoma offers PSTN interface and media processing boards for developers needing to connect to the PSTN, maximizing flexibility and compatibility in various environments. All products have broad interoperability certifications.

Open-Source Software Products

Sangoma is the main developer and sponsor of the Asterisk project, the most widely used open-source communications software, and the FreePBX project, the most popular open-source PBX software. Sangoma also provides revenue-generating products and services beyond these open-source projects. These include software add-ons, IP phones, SIP trunking, cloud-based fax, training, technical support, maintenance, PSTN cards, VoIP gateways, session border controllers, and commercial versions of the PBX/UC software.

OVERALL PERFORMANCE

Operational

Sangoma is a trusted leader in developing technology platforms for essential business communications. Customers include companies in the SMB, mid-market and enterprise spaces looking for all the advantages of cloud-based communications at a fair price. Sangoma offers a wide range of products to complement its services, delivering high-quality solutions through a global network of partners and distributors.

Sangoma has always been operated and managed as a single economic entity. There is one management team that directs the activities of all aspects of the Company and it is managed globally by our executive team. As a result, we believe that we have one reporting segment, being the consolidated Company. Over time, this may change as the Company grows and when this occurs, we will reflect the change in our reporting practice.

Revenue

Sangoma generates revenue from both Services and Products. Our Services revenue is generated primarily from customers entering recurring revenue agreements for services such as our UCaaS platforms and MSP services. Product revenues are comprised of the sale of products and services that generate non-recurring revenue, including our UC on-prem platform and hardware.

Innovation

Sangoma is committed to advancing its AI capabilities by investing in and developing its proprietary AI platform and collaborating with leading third-party AI platforms.

By building on top of our existing CPaaS offerings and leveraging the low code/no code Studio workflow engine, we are delivering innovative Voice AI and Knowledge AI (RAG) Agent solutions that seamlessly integrate with our existing Cloud, Hybrid, and Prem products and services.

This approach ensures that our partners and customers benefit from both our in-house expertise and the broader AI ecosystem, enhancing their operations with cutting-edge, AI-driven services and insights.

Sales and marketing

Over the past year, Sangoma has undergone a transformation in its go-to-market strategy. We've embarked on a brand revitalization program with a strong focus on our digital properties, including new company positioning and refined messaging that reflects who we are as a company. We have established continuous education and training programs in collaboration with distributors and partners. Additionally, we have forged robust partnerships with key Technology Services Distributors (TSDs) like Telarus, Avant, App Direct, Intelisys, Jenne, and ScanSource to grow our business nationwide through the channel.

Sales

Sangoma utilizes a 100% channel-driven 'go to market' strategy, collaborating with diverse partners and market influencers. Our network includes individual agents, large technology service distributors (TSDs), and both national and regional distributors. Our customers span from mid-market enterprises needing distributed solutions to smaller SMBs that rely on our partners for digital infrastructure strategies.

Sangoma thrives in several sectors, notably healthcare, retail, and service providers. Through the Pinnacle Channel Partner Program, we offer extensive support to our partners, enabling them to deliver Sangoma's essential communication platform solutions to their end users. This support includes formal lead registration, training, quoting assistance, co-marketing efforts, and competitive commission structures and incentives.

Marketing

Sangoma's marketing goals are seamlessly aligned with its business objectives, which focus on driving revenue growth and delivering value to stakeholders. We also recognize the importance of increased brand visibility, recognition, and trust within the channel partner community and among end users.

Four key pillars anchor our marketing transformation: brand development and perception, channel marketing and enablement, lead generation, and fostering a culture of innovation and process efficiency.

For brand development, Sangoma has clarified its position as a leader in the communications industry, known for developing essential communication platforms with in-house software for all UC deployment types. This is complemented by offerings such as SIP trunking, hardware, managed services, and managed security.

Channel marketing and enablement are crucial for Sangoma, as we are dedicated to supporting our channel partners and distributors. Our multichannel strategy includes large and small events, webinars, trainings, online advertising, email marketing, public relations, promotional programs, and discounts.

In lead generation, our goal is to deliver more qualified leads to our partners, utilizing both outbound and inbound strategies. These are multichannel efforts targeting our Ideal Customer Profile with key messages about our solutions. Tactics include email, calls, content marketing, online advertising, social media, and public relations.

Lastly, cultivating a strong culture of trust and rapid experimentation, combined with robust CRM and email automation processes, is vital to our marketing transformation.

RESULTS OF OPERATIONS

All amounts are in thousands of United States dollars except where otherwise indicated.

SUMMARY

The following table outlines our unaudited condensed consolidated interim statements of loss and comprehensive loss for the periods indicated:

	Three month periods ended December 31,				Six month periods ended December 31,			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Revenue	**59,113**	62,276	(3,163)	(5)%	**119,263**	125,304	(6,041)	(5)%
Cost of sales	**18,625**	18,290	335	2%	**37,594**	37,290	304	1%
Gross profit	**40,488**	43,986	(3,498)	(8)%	**81,669**	88,014	(6,345)	(7)%
Expenses								
Sales and marketing	**12,599**	14,652	(2,053)	(14)%	**25,155**	31,169	(6,014)	(19)%
Research and development	**10,323**	10,005	318	3%	**21,665**	19,320	2,345	12%
General and administration	**10,175**	11,518	(1,343)	(12)%	**20,135**	22,326	(2,191)	(10)%
Amortization of intangible assets	**8,199**	8,362	(163)	(2)%	**16,397**	16,723	(326)	(2)%
Interest expense (net)	**1,105**	1,795	(690)	(38)%	**2,483**	3,457	(974)	(28)%
Restructuring and business integration costs	**242**	1,335	(1,093)	(82)%	**242**	1,491	(1,249)	(84)%
Loss on change in fair value of consideration payable	**—**	202	(202)	(100)%	**—**	202	(202)	(100)%
Loss before income tax	**(2,155)**	(3,883)	1,728	(45)%	**(4,408)**	(6,674)	2,266	(34)%
Provision for income taxes								
Current	**883**	279	604	216%	**1,374**	664	710	107%
Deferred	**(1,157)**	(923)	(234)	25%	**(1,991)**	(1,655)	(336)	20%
Net loss	**(1,881)**	(3,239)	1,358	(42)%	**(3,791)**	(5,683)	1,892	(33)%
Other comprehensive loss								
Items to be reclassified to net loss								
Change in fair value of interest rate swaps, net of tax	**(74)**	(481)	407	(85)%	**(398)**	(574)	176	(31)%
Comprehensive loss	**(1,955)**	(3,720)	1,765	(47)%	**(4,189)**	(6,257)	2,068	(33)%
Loss per share								
Basic and diluted	**$ (0.06)**	$ (0.10)	$ 0.04	(40)%	**$ (0.11)**	$ (0.17)	$ 0.06	(35)%
Weighted average shares outstanding (thousands)								
Basic and diluted	**33,419**	33,154	265	1%	**33,478**	33,247	231	1%

REVIEW OF OPERATIONS

Revenue

	Three month periods ended December 31,				Six month periods ended December 31,			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Service revenues	**48,807**	50,703	(1,896)	(4)%	**98,500**	101,859	(3,359)	(3)%
Percent of total revenues	**83%**	81%	2.00%	2%	**83%**	81%	2%	2%
Product revenues	**10,306**	11,573	(1,267)	(11)%	**20,763**	23,445	(2,682)	(11)%
Percent of total revenues	**17%**	19%	(2.00)%	(11)%	**17%**	19%	(2)%	(11)%
Total revenues	**59,113**	62,276	(3,163)	(5)%	**119,263**	125,304	(6,041)	(5)%

Services revenue for the second quarter of fiscal 2025 decreased by 4% to $48,807 compared to $50,703 in the equivalent quarter of the prior year. Service revenue decline impacted by customer churn and longer sales lead cycles for enterprise customers. Product revenue for the second quarter of fiscal 2025 decreased by 11% to $10,306 compared to $11,573 in the equivalent quarter of the prior year, mainly due to a decrease in third-party product resales. Services revenue represented 83% of total revenue this quarter, up from 81% in the same quarter of the prior year. Total revenues for the second quarter of fiscal 2025 decreased by 5% to $59,113 compared to $62,276 in the equivalent period of the prior year.

For the first two quarters of fiscal 2025, Services revenue decreased by 3% to $98,500 compared to the same period a year ago. Services revenue represents 83%, up 2% from 81% for the same period a year ago. During the same period, the Company saw softer Product sales, with related revenue decreased by 11%. to $20,763. Product revenue represented 17% of total revenues compared to 19% a year ago, mainly due to the effects of the current geopolitical and global economics conditions, including uncertainty recent shifts in government spending and administrative processes which signal a dramatic shift in historical spending patterns.

Cost of revenue and gross profit

	Three month periods ended December 31,				Six month periods ended December 31,			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Cost of sales	**18,625**	18,290	335	2%	**37,594**	37,290	304	1%
Gross profit	**40,488**	43,986	(3,498)	(8)%	**81,669**	88,014	(6,345)	(7)%
Gross margin	**68%**	71%	(3)%	(4)%	**68%**	70%	(2)%	(3)%

The cost of sales for the second quarter of fiscal 2025 increased by 2% to $18,625 compared to $18,290 in the equivalent quarter of the prior year, and increased by 1% to $37,594 for first two quarters of fiscal 2025 as compared to $37,290 in the equivalent period of the prior year. The period over period increase in cost of sales was driven primarily by product sales at lower sales price resulting in lower margins and increased cost pressure in service delivery cost of sales.

Gross profit for the second quarter of fiscal 2025 was $40,488, down 8% from the $43,986 realized in the equivalent quarter of the prior year and was $81,669 for the first two quarters of fiscal 2025, down 7% from the $88,014 realized in the equivalent period of the prior year.

Gross margin for the second quarter of fiscal 2025 was 68% of revenue, down 3% from the 71% in the equivalent quarter of the prior year. Gross margin for the first two quarters of fiscal 2025 was 68% of revenue, down 2% from the 70% in the equivalent period of the prior year. Gross margin for the second quarter and year to date is impacted by the revenue mix with lower service revenue which has higher gross margins.

Expenses

Costs are allocated to four categories as follow:

	Three month periods ended December 31,				Six month periods ended December 31,			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Sales and marketing	**12,599**	14,652	(2,053)	(14)%	**25,155**	31,169	(6,014)	(19)%
Research and development	**10,323**	10,005	318	3%	**21,665**	19,320	2,345	12%
General and administration	**10,175**	11,518	(1,343)	(12)%	**20,135**	22,326	(2,191)	(10)%
Amortization of intangible assets	**8,199**	8,362	(163)	(2)%	**16,397**	16,723	(326)	(2)%

Sales and marketing

Sales and marketing expense was $12,599 for the second quarter of fiscal 2025, down from the $14,652 incurred in the same quarter of fiscal 2024, at approximately 21% of revenue compared to 24%. For the first two quarters of fiscal 2025, it was 25,155 down from the 31,169 in the equivalent period of the prior year, at 21% of revenue compared to 25% of revenue a year ago. The decrease was from the reorganization and merging of sales teams to better provide unified solutions, along with other cost savings initiatives undertaken by the Company in the latter part of the second quarter of fiscal 2024 while the Company reviewed its go-to-market strategy and corresponding marketing efforts.

Research and development

A portion of the Company’s R&D costs are capitalized each period and amortized on a straight-line basis over three years (see the audited consolidated financial statements and related notes for the fiscal year ended June 30, 2024, available at www.sedarplus.ca and www.sec.gov).

The research and development expenses incurred, and the development costs amortized during the second quarter of fiscal 2025 was $10,323 up from the $10,005 incurred in the same quarter of fiscal 2024, at approximately 17% of revenue compared to 16%. For the first two quarters of fiscal 2025, it was $21,665, up from the $19,320 in the equivalent period of the prior year, at approximately 18% of revenue compared to 15% a year ago. The increase was mainly due to higher amortization of development costs, which is from the capitalization of those costs relating to new Products and Services.

For the quarter ended December 31, 2024, the Company did not have any significant projects that have not yet generated revenue, nor did it have any products or services that are not fully developed, and which are material to the Company, therefore no impairment was assessed on any projects.

General and administration

Starting in the second quarter of fiscal 2024 the Company removed amortization of intangible assets from the general and administration expense to give a more accurate view of the Company's hard costs.

During the second quarter of fiscal 2025, general and administration expenses was $10,175, down from the $11,518 incurred in the same quarter of fiscal 2024, at approximately 17% of revenue compared to 18%. For the first two quarters of fiscal 2025, it was $20,135, down from the $22,326 in the equivalent period of the prior year, at approximately 17% of revenue compared to 18% . This decrease in the Company's general and administration spending is primarily a result of the on-going cost saving initiatives in major expenses categories partially offset by the investment in the implementation of a new Enterprise Resource Planning ("ERP") system that will improve our business systems architecture, enabling the Company for future organic and inorganic growth.

Amortization of intangible assets

Amortization of intangible assets was $8,199 for the second quarter of fiscal 2025, down from the $8,362 incurred in the same quarter of fiscal 2024. For the first two quarters of fiscal 2025, it was $16,397, down from the $16,723 in the equivalent period of the prior year.

	Three month periods ended December 31,				**Six month periods ended December 31,**			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Interest expense (net)	**1,105**	1,795	(690)	(38)%	**2,483**	3,457	(974)	(28)%
Restructuring and business integration costs	**242**	1,335	(1,093)	(82)%	**242**	1,491	(1,249)	(84)%

Interest expense (net)

Net interest expense was $1,105 for the second quarter of fiscal 2025, down 38% from the $1,795 incurred in the same quarter of fiscal 2024. For the first two quarters of fiscal 2025, it was $2,483, down 28% from the $3,457 in the equivalent period of the prior year. The lower interest expense is as a result of lower interest rate due to the repayments of $8,850 in the term loans and $8,600 in the revolving credit facility in the first two quarters of fiscal 2025. As of Dec 31, 2024, the revolving credit facility is paid in full. As at December 31, 2024, the total outstanding debt decreased to $60,375 from $77,825 as at June 30, 2024.

Restructuring and business integration costs

The restructuring cost was $242 for the second quarter of fiscal 2025, down from the $1,335 incurred in the same quarter of fiscal 2024. For the first two quarters of fiscal 2025, it was $242, down from the $1,491 in the equivalent period of the prior year.

Net loss

Net loss for the second quarter of fiscal 2025 was $1,881 ($0.06 loss per share fully diluted), improved 42% compared to a net loss of $3,239 ($0.10 loss per share fully diluted) for the equivalent quarter of the prior year. For the first two quarters of fiscal 2025, it was a net loss $3,791 ($0.11 loss per share fully diluted), improved 33% compared to a net loss of $5,683 ($0.17 loss per share fully diluted), in the equivalent period of the prior year.

Adjusted EBITDA

The derivation of Adjusted EBITDA and the reconciliation of net loss to Adjusted EBITDA for the comparable quarter and each fiscal year is shown in the table below.

	Three month periods ended December 31,				**Six month periods ended December 31,**			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Net loss	**(1,881)**	(3,239)	1,358	(42)%	**(3,791)**	(5,683)	1,892	(33)%
Tax expense (recovery)	**(274)**	(644)	370	(57)%	**(617)**	(991)	374	(38)%
Interest expense (net)	**1,105**	1,795	(690)	(38)%	**2,483**	3,457	(974)	(28)%
Share-based compensation	**1,038**	856	182	21%	**1,766**	1,518	248	16%
Depreciation of property and equipment	**1,006**	1,050	(44)	(4)%	**2,091**	2,123	(32)	(2)%
Depreciation of right-of-use assets	**653**	731	(78)	(11)%	**1,331**	1,490	(159)	(11)%
Amortization of intangibles	**8,199**	8,362	(163)	(2)%	**16,397**	16,723	(326)	(2)%
Restructuring and business integration costs	**242**	1,335	(1,093)	(82)%	**242**	1,491	(1,249)	(84)%
Loss on change in fair value of consideration payable	**—**	202	(202)	(100)%	**—**	202	(202)	(100)%
Adjusted EBITDA	**10,088**	10,448	(360)	(3)%	**19,902**	20,330	(428)	(2)%
Percentage of revenue	**17%**	17%	0.29%	2%	**17%**	16%	1%	6%

Adjusted EBITDA for the second quarter of fiscal 2025 was $10,088, remaining consist at 17% of revenue as compared to the equivalent quarter of fiscal 2024, and $19,902 for the first two quarters of fiscal 2025, representing an increase of 1% from 16% to 17% of revenue when compared to the equivalent period of the prior year.

QUARTERLY RESULTS OF OPERATIONS

Selected financial information over the prior eight quarters is shown in the table below.

	Third quarter 2023	Fourth quarter 2023	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024	First quarter 2025	Second quarter 2025
Revenue	$ 62,764	$ 63,680	$ 63,028	$ 62,276	$ 61,046	$ 60,934	$ 60,150	$ 59,113
Gross Profit	$ 44,424	$ 42,241	$ 44,028	$ 43,986	$ 43,000	$ 41,807	$ 41,181	$ 40,488
Operating Expenses[1]	$ 43,368	$ 43,708	$ 45,001	$ 44,537	$ 42,745	$ 41,600	$ 42,056	$ 41,296
Net loss	$ (685)	$ (23,630)	$ (2,444)	$ (3,239)	$ (1,268)	$ (1,708)	$ (1,910)	$ (1,881)
Net loss per share								
Basic and diluted basis	$ (0.02)	$ (0.72)	$ (0.07)	$ (0.10)	$ (0.04)	$ (0.05)	$ (0.06)	$ (0.06)
Adjusted EBITDA	$ 12,243	$ 10,860	$ 9,882	$ 10,448	$ 11,155	$ 11,110	$ 9,814	$ 10,088
AEBITDA % Revenue	19.51 %	17.05 %	15.68 %	16.78 %	18.27 %	18.23 %	16.32 %	17.07 %
change %		(2.45)%	(1.38)%	1.10 %	1.50 %	(0.04)%	(1.92)%	0.75 %

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

Sales and Net Loss by Quarter

Revenue for the quarter declined over the comparative periods as the Company’s transforms it’s go-to-market-strategy, during which time the Company expected a lag in services revenue. Over the measurement period, there has been a hold on Capex spending by customers due to macro global economic conditions and recently uncertainties in political landscapes, government spending, threats of government tariffs along with the effects of natural disasters including hurricane and wild fires. Services revenue continues to account for the majority of revenue at 83% of total revenue this quarter, however, operational efficiencies and cost saving initiatives are impacting Adjusted EBITDA margin, which increased from 16.78% of revenue in the second quarter of fiscal 2024 to 17.07% of revenue in the second quarter of fiscal 2025.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2024, Sangoma had current assets of $49,981 and current liabilities of $58,337, compared with $57,109 and $60,104 at June 30, 2024, respectively. The decrease in current assets is mainly due to the collection of trade and other receivables, and the sale of inventories , while the decrease in current liabilities is primarily due to the payment of accounts payable and accrued liabilities offset by the increase in the operating facility and loans.

Cash of $17,065 on December 31, 2024 was 5.14% higher than the $16,231 on June 30, 2024. The Company used a portion of its cash to continue servicing the debts, accounts payable, and full repayment of $8,600 on the revolving credit facility in the first two quarters, in line with its capital allocation strategy to accelerate the reduction in its debt level throughout Fiscal 2025.

Trade receivables of $14,011 on December 31, 2024, were lower than the $16,025 on June 30, 2024, primarily due to lower sales and the tightening of credit policies and increased focus on collection efforts.

Inventories were $13,117 on December 31, 2024, $1,651 lower than the $14,768 at June 30, 2024 as the Company continues to focus on selling existing inventories first while managing new purchases.

The Company's net cash flows from operating activities in the second quarter of fiscal 2025 was $11,913, up 30% from the $9,188 incurred in the same quarter of fiscal 2024. For the first two quarters of fiscal 2025, it was $24,040, up 41% from the 17,037 in the equivalent period of the prior year. The substantial increase was primarily due to fiscal 2025 lower reported net loss, higher collections of trade receivables, lower inventories by selling existing in-stock inventories and reduced spending on trade payables and vendor management.

Net cash provided by operating activities as a percentage of Adjusted EBITDA for the second quarter of fiscal 2025 reached 118%, up 30% from the 88% incurred in same quarter of fiscal 2024. For the first two quarters of fiscal 2025, it was 121%, up 37% from the 84% in the equivalent period of the prior year.

Credit Facility

On October 18, 2019, the Company entered into a new credit agreement (the “Original Credit Agreement”) in favour of its subsidiaries, Sangoma Technologies Inc. and Sangoma US Inc. (the “Borrowers”) with inter alia The Toronto-Dominion Bank and The Bank of Montreal, as lenders (the “Lenders”). Under the terms of the Original Credit Agreement, the Lenders provided the Borrowers with a term loan facility to refinance the Company’s existing credit facilities and to fund part of the purchase of Voip Innovation Acquisition.

On March 31, 2021, the Company entered into an amended and restated credit agreement (the “Amended and Restated Credit Agreement”) which amended and restated the Original Credit Agreement to allow the Company to fund part of the StarBlue Acquisition.

On March 28, 2022, the Company entered into the Second Amended and Restated Credit Agreement (the “Second Amended and Restated Credit Agreement”) which amended and restated the Amended and Restated Credit Agreement to allow the Company to fund part of the NetFortris Acquisition. The Second Amended and Restated Credit Agreement is comprised of: (i) a $6,000 revolving credit facility, (ii) a $21,750 term credit facility, which was used to partially fund the Voip Innovation Acquisition (iii) a $52,500 term credit facility, which was used to partially fund the StarBlue Acquisition, (iv) a $45,000 term credit facility, which was used to partially fund the NetFortris Acquisition (the “Term 3 Facility”), and (v) a $1,500 swingline credit facility.

On June 28, 2022, the Company entered into the first amendment to the Second Amended and Restated Credit Agreement to reflect certain administrative amendments and to amend the amount of the Term 3 Facility quarterly principal installments.

On October 19, 2022 and January 31, 2023 the Company drew down $3,000 and $2,300 from the revolving credit facility, respectively which were fully repaid on June 28, 2024.

On April 6, 2023 the Company entered into a second amendment to the Second Amended and Restated Credit Agreement to reflect certain administrative amendments and to amend 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. In the first two quarters of fiscal 2025, the Company repaid $8,600 in revolving credit facility and as of December 31, 2024, the revolving credit facility was fully repaid.

On June 4, 2024, the Company entered into the third amendment to the Second Amended and Restated Credit Agreement to reflect certain administrative amendments.

Under its Second Amended and Restated Credit Agreement with its lenders, the Company must satisfy certain financial covenants, principally in respect of total funded debt to earnings before interest, taxes and amortization, and debt service coverage ratio. As at December 31, 2024, the Company was in compliance with all covenants related to its Credit Agreement.

CONTRACTUAL OBLIGATIONS

The following table shows the movement in contractual liabilities from July 1, 2024 to December 31, 2024:

	$
Opening balance, July 1, 2023	14,551
Revenue deferred during the period	38,500
Deferred revenue recognized as revenue during the period	(40,397)
Ending balance, June 30, 2024	**12,654**
Revenue deferred during the period	19,253
Deferred revenue recognized as revenue during the period	(20,723)
Ending balance, December 31, 2024	**11,184**
Contract liabilities - Current	8,346
Contract liabilities - Non-current	2,838
	11,184

Commitments

The table below outlines our contractual commitments as of December 31, 2024:

	within 12 months	13-24 months	25-36 months	>37 months	Total
	$	$	$	$	$
Accounts payable and accrued liabilities	19,125	—	—	—	**19,125**
Sales tax payable	5,264	—	—	—	**5,264**
Operating facility and loans	22,775	20,600	14,038	2,962	**60,375**
Lease obligations on right of use assets	2,537	1,861	1,463	5,087	**10,948**
Other non-current liabilities	—	—	—	2,275	**2,275**
	49,701	**22,461**	**15,501**	**10,324**	**97,987**

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Sangoma.

RELATED PARTY TRANSACTIONS

Except as disclosed in the notes to the consolidated financial statements, the Company is not party to any material transactions with related parties.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We review these estimates on an ongoing basis based on management's best knowledge of current events and actions that we may undertake in the future. Actual results could differ from these estimates. All significant estimates and critical judgments, estimates, and assumptions are described in Note 3 of the Company's Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of the cash and cash equivalents, trade and other receivables, contract assets, other current assets, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term nature of these financial instruments or as these financial instruments are fair valued at each reporting period. 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 and consideration payable are recorded at fair value. Further details relating to our financial instruments, the risks associated with the financial instruments and how we manage those risks, are described in Note 4 of the Company's Financial Statements.

OUTSTANDING SHARE INFORMATION

We are currently authorized to issue an unlimited number of common shares. As of the date hereof, 33,592,534 common shares, 429,111 stock options and 1,554,901 share units are issued and outstanding.

GUIDANCE

Revised guidance for Fiscal 2025

Sangoma is taking decisive action to advance its core platform strategy by accelerating the divestiture of its third-party product resale operations. This strategic realignment, while reducing projected revenue in fiscal 2025, should drive substantial improvements in both gross profit margin and Adjusted EBITDA margin.

As a result, Sangoma is lowering its revenue guidance from the range of $250 million to $260 million to $235 million to $240 million, while continuing to maintain an Adjusted EBITDA[2] target of at least 17% of revenue. As a result of the updated revenue expectations, the Company now anticipates Adjusted EBITDA[2] in the range of $40 million to $42 million, compared to the prior guidance of $42 million to $46 million.

Our guidance is based on the Company's assessment of many material assumptions, including:

- The Company's ability to manage current supply chain constraints, including our ability to secure electronic components and parts, manufacturers being able to deliver ongoing quantities of finished products on schedule, no further material increases in cost for electronic components, and no significant delay or material increases in cost for shipping
- The successful transformation of the Company's go-to-market strategy

- The revenue trends the Company experienced in fiscal 2025 to-date, the trends we expect going forward in fiscal 2025, the impact of our transformation of our go-to-market strategy and the impact of growing economic headwinds globally
- The continuing effects of recent macro factors such as inflation, interest rates, recessions, invasions or declarations of war and a significant decrease in U.S. government spending
- There being continuing growth in the global UCaaS and cloud communications markets more generally
- There being continuing demand and subscriber growth for our Services and continuing demand as anticipated for our Products
- The impact of changes in global exchange rates on the demand for the Company's Products and Services
- The ability of the Company's customers to continue their business operations without any material impact on their requirements for the Company's Products and Services
- The Company's forecasted revenue from its internal sales teams and via channel partners will meet current expectations, which is based on certain management assumptions, including continuing demand for the Company's products and services, no material delays in receipt of products from its contract manufacturers, no further material increase to the Company's manufacturing, labour or shipping costs
- That the Company is able to attract and retain the employees needed to maintain the current momentum
- The timely execution of our ERP implementation in line with our forecasted budget

CONTROLS AND PROCEDURES

Management of the Company, under the supervision of the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining (i) disclosure controls and procedures, and (ii) adequate internal control over financial reporting ("ICFR") (as defined under applicable Canadian securities laws and by the United States Securities and Exchange Commission ("SEC") in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") for the company to ensure that (i) material information relating to the Company is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual and interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

Management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer and oversight of the Board of Directors evaluated the effectiveness of our ICFR as of December 31, 2024 against the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon the evaluation, management has concluded that the Company's disclosure controls and procedures and ICFR were effective.

GLOSSARY OF TERMS

Analog

Analog telephony is the telephone system that dates back to the original experiments by Alexander Graham Bell. The voice signal is picked up by a microphone and transmitted to the central office. Voice signals from the central office consist of voltages that drive a headset to produce sound. Analog means that the voice pressure signals are represented by voltages levels on the line.

API

Application Program Interface: An API is a purpose-built interface that allows fourth party software to interact with a particular application. A typical API is the user interface for Windows that allows programmers to write programs for Windows that use all its built-in utilities. APIs do not depend on revealing source code, in general. They are usually well documented and include sample programs that make development easy.

Codec

In the telephony context a codec is a mechanism of digitally encoding voice. On the PSTN a voice channel takes up 64kbps in a codec standard called G.711. Cell phones use a codec called GSM that compresses the voice further so that a GSM call consumes about 24kbps. Other compressed codecs are used in VoIP to conserve bandwidth. These include standards such as G.729, G.723. Most audio codecs are lossy, in that some of the voice quality is degraded by the compression. On the other hand, as bandwidth becomes cheaper, VoIP allows one to use other codecs that in fact use more bandwidth than the PSTN, the so-called broadband codecs that have DVD-like voice quality.

Digital telephony

In the modern PSTN only the “last mile” line to the customer is still analog, all other internal parts of the network are digital. Digital in this case means that at the central office the analog signal from the subscriber’s telephone is sampled digitally, converting the line voltages to a series of numbers that can be easily transmitted error free over long distances. See T1, E1 below.

DID

Direct Inward Dialing (“DID”) is a virtual phone number that uses the existing phone lines to route incoming calls. Callers can connect to a phone extension directly without an operator. This offers convenience for both employees and callers alike. DID offers a cost saving on its own and is less expensive when purchased with a SIP trunk.

Gateway

In the telephony context this is typically a separate unit with its own case and power supply that provides VoIP-to-PSTN services for a VoIP network. Almost all gateway devices use SIP interfaces to the VoIP system over Ethernet and have analog or digital telephony interfaces that connect to the PSTN. VoIP gateways are available from many manufacturers including Audiocodes, Cisco, Grandstream, Patton Electronics and many others.

ISDN

Integrated Services Digital Network (“ISDN”) is a set of communications standards for simultaneous digital transmission of voice, video, data, and other network services over the traditional circuits of the public switched telephone network. Of the many variations of ISDN, Sangoma supports BRI (Basic Rate Interface) which is essentially an all-digital replacement for ordinary analog lines and PRI (Primary Rate Interface) which is used over T1 and E1 lines. BRI is very popular outside of North America. PRI is used worldwide.

IoT

Internet of Things (“IoT”) refers to a system of interrelated, internet-connected objects that are able to collect and transfer data over a wireless network without human intervention.

IP

The Internet Protocol (“IP”) is the primary protocol in the internet layer of the Internet protocol suite, and delivers data packets from the source host to the destination host solely based on the IP address.

ISP

Internet Service Provider

ITSP

Internet Telephony Service Provider who offer telecommunications service including voice over internet type connections.

IVR
Interactive Voice Response: IVR systems use the phone to navigate a menu, for example those used by banks to allow access to customer's account information. IVR systems have typically been driven by dial tones as the buttons on your phone are pressed, but increasingly they are using voice recognition for navigation.

Open Source
Open Source software is distributed free subject to certain conditions. Open Source licenses usually stipulate that source code must always be distributed or made available, and any improvements in the code have to be donated back to the community. It is possible to have dual licensing: Open Source to the community and also a closed, commercial license of the same or similar software.

NetBorder
This is the trade name of a Sangoma SIP to PSTN gateway product. It includes several other functions in addition to the PSTN gateway function. The mass marketed version is known as NetBorder Express or NBE.

PBX
Private branch exchange. A PBX is a premised basis device to deliver calls from the PSTN or VOIP network to phones in a single or multiple locations.

PSTN
Public Switched Telephone Network: This is the standard telephone network that has been in operation for many decades. A telephone or FAX or PBX or other telephony device is generally connected to an analog line at a wall plug, which is connected by “last mile” cabling to the central office. The analog signal from the device is converted to a digital signal at the Telco central office and is multiplexed, 24 simultaneous voice channels per line (in North America) onto a T1 for onward transmission. At the other end of the line the digital channel is reconverted to analog for transmission over the “last mile” to the receiving phone or other device.

SBC
A Session Border Controller (“SBC”) is a device deployed in Voice over Internet Protocol (“VoIP”) networks to exert control over the signaling and usually also the media streams involved in setting up, conducting, and tearing down telephone calls or other interactive media communications. SBCs are deployed as demarcation points between enterprises and service providers and between service provider networks.

SD-WAN
A Software-defined Wide Area Network (“SD-WAN”) uses software to control and manage connectivity across a customers wide area network. While traditional wide area networks rely on physical routers to connect remote users, this centralized software solution can help customers monitor their performance of the network and manage traffic.

Signaling
Call setup and tear down is remarkably complicated, involving such things as responding to the different tones as well as generating them, caller identification, and handling the different features like hook-flash and voicemail properly. There are different signaling mechanisms for different types of circuits. Analog circuits use tones such as out-of-order, busy, ringing as well as the dialing tones. T1 lines often use a data protocol called ISDN PRI, where packets of control data are exchanged on a separate data channel. ISDN PRI is a simplification of the general signaling protocol used internally by the telecommunications networks known as SS7. In all cases, signaling must be exactly compatible with what the Telco expects, so interoperability and standards are important.

SIP
Session Initiation Protocol: SIP is the emerging standard signaling protocol for VoIP, though it has much broader applications. SIP is responsible for setting up and teardown of two party and multiparty calls, as well as a host of management features. To a great and increasing extent, VoIP calls are SIP based. The term SIP Trunk is used to describe the provision of a SIP line to an end customer.

T1, E1
A T1 line is a circuit that simultaneously carries 24 digital telephone calls. At higher densities, 28 T1s are aggregated into a T3 line carrying 672 calls. Larger offices can also connect to the central office via T1 directly, so as to have only one circuit for up to

24 calls. T1 is standard in North America and Japan while E1 is the standard in the rest of the world. E1 carries 30 channels of digitized voice per line.

<u>TDM</u>

Time Division Multiplexing (“TDM”) is used in circuit switched networks to increase the number of calls carried simultaneously on any one circuit and formed the basis for the digital telephony networks.

<u>TSD</u>

A Technology Services Distributor (TSD) is a company that connects technology vendors and selling partners, and provides technology service solutions to IT sales agents. TSDs are also known as "master agents" or "telecom agents or brokers". TSDs play a key role in the technology advisory channel, and offer many benefits, including: quick access to solutions, generating sales volume, collecting commissions, industry experience and business solutions, enablement training, and marketing activities.

<u>Unified Communications</u>

Unified communications is a concept in which voice, email, messaging, video, and any other type of communication are all considered forms of data that can be combined, manipulated, and used in intelligent applications seamlessly.

<u>VoIP</u>

Voice over IP is the transfer of voice traffic over the Internet Protocol. IP is used universally for all networking, including local area networks and private networks, not just the Internet. VoIP is not necessarily voice over the Internet, but voice over general data networks.

NEWS RELEASE

SANGOMA ANNOUNCES SECOND QUARTER FISCAL 2025 RESULTS

Net Cash provided by operating activities up 29.7% year-over-year, surpassing 100% of Adjusted EBITDA [2,] for Fourth Consecutive Quarter; Adjusted EBITDA Increased to 17.1% of Revenue from 16.3% Last Quarter

MARKHAM, ONTARIO, February 5, 2025 – Sangoma Technologies Corporation (TSX: STC; Nasdaq: SANG) ("Sangoma" or the "Company"), a trusted leader in delivering cloud-based Communications as a Service solutions for companies of all sizes, today announced its second quarter financial results and unaudited condensed consolidated interim financial statements for the three and six month periods ended December 31, 2024.

"During the second quarter we continued to generate strong operating cash flow while reducing debt levels, effectively reaching our fiscal year-end debt target of $55–60 million two quarters ahead of plan," said Charles Salameh, Chief Executive Officer. "Our improved capital structure allows us to take decisive action to accelerate strategic alternatives which will further solidify our position as a highly profitable recurring revenue driven business, and enable faster innovation through both internal development and acquisitions."

Second Quarter of Fiscal 2025 Highlights:

- Total Revenue of $59.1 million declined $1.0 million 1.7% from the first quarter of fiscal 2025, primarily due to a $1.2 million decrease in low margin third-party product resales, while in total, core platform products and services revenue increased sequentially.
- Gross profit of $40.5 million, or 68.5% of total revenue.
- Operating expenses[1] were $41.3 million, down approximately 7.3% over the same quarter of prior year.
- Adjusted EBITDA[2] of $10.1 million, representing 17.1% of total revenue, a 0.7% improvement over last quarter.
- Strategic enterprise resource planning ("ERP") spend of $0.6 million in the quarter, bringing Adjusted EBITDA[2] for the second quarter to $10.7 million without this investment.
- Improved churn to below 1.0%
- Net loss narrowed significantly to $1.9 million compared to $3.2 million in the second quarter of Fiscal 2024.
- Net cash provided by operating activities of $11.9 million representing an increase of 29.7% over the same quarter a year ago.
- Net cash provided by operating activities as a percentage of Adjusted EBITDA[2] for the second quarter reached 118.1%, representing a significant increase when compared to

87.9% in the same quarter of the prior year and the fourth straight quarter that it exceeded 100%.

- Effectively reached our debt reduction target of $55 million to $60 million two quarters ahead of schedule, with total debt standing at approximately $60 million at quarter's end.
- Cash at the end of the second quarter of fiscal 2025 was $17.1 million, reflecting a strong quarterly progression of operating cash flow, primarily due to increased efficiency initiatives and effective net working capital management.

Revised guidance for Fiscal 2025[3]

Sangoma is taking decisive action to advance its core platform strategy by accelerating strategic alternatives with respect to certain low margin non-core product lines including its third-party hardware resale operations. This strategic realignment, while reducing projected revenue in fiscal 2025, should drive substantial improvements in both gross profit margin and Adjusted EBITDA[2] margin.

As a result of the de-emphasis of certain non-core product lines, Sangoma is lowering its revenue guidance from the range of $250 million to $260 million to $235 million to $240 million, while continuing to maintain an Adjusted EBITDA[2] target of at least 17% of revenue. As a result of the updated revenue expectations, the Company now anticipates Adjusted EBITDA[2] in the range of $40 million to $42 million, compared to the prior guidance of $42 million to $46 million.

Conference call

Sangoma will host a conference call on Wednesday, February 5, 2025, at 5:30 pm ET to discuss these results. The dial-in number for the call is 1-844-763-8274 (International +1-647-484-8814) and the participant passcode is 8503464#. 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 is a non-IFRS financial measure 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”.

[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 statements, including statements regarding the future success of our business, development strategies and future opportunities.

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, statements relating to expected future production and cash flows, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "will", "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 herein include, but are not limited to, risks and uncertainties associated with changes in exchange rate between the Canadian dollar and other currencies (in particular the United States' ("US") dollar), changes in technology, changes in the business climate, changes to macroeconomic conditions, including (i) inflationary pressures and potential recessionary conditions, as well as actions taken by central banks and regulators across the world in an attempt to reduce, curtail and address such pressures and conditions, including any increases in interest rates, and (ii) the effects of adverse developments at financial institutions, including bank failures, that impact general sentiment regarding the stability and liquidity of banks, and the resulting impact on the stability of the global financial markets at large, risks related to any pandemic or epidemic, our ability to identify and effectively remediate material weaknesses and significant deficiencies in our internal controls, our current level of indebtedness and the ability to incur additional indebtedness in the near- and long-term; changes in the regulatory environment, the imposition of tariffs, the decline in the importance of the PSTN (as defined in our MD&A), impairment of goodwill and new competitive pressures, political disturbances, geopolitical instability and tensions, or terrorist attacks, and associated changes in global trade policies and economic sanctions, including, but not limited to, in connection with (x) the ongoing conflict in Ukraine (the “Russo-Ukraine War”) and (y) any impact, effect, damage, destruction and/or bodily harm directly or indirectly relating to the ongoing hostilities in the Middle East, and technological changes impacting the development of our products and implementation of our business needs, including with respect to automation and the use of artificial intelligence (“AI”) and the other risk factors described in our most recently filed Annual Information Form for the fiscal year ended June 30, 2024.

Our guidance is based on the Company’s assessment of many material assumptions, including:

- The Company’s ability to manage current supply chain constraints, including our ability to secure electronic components and parts, manufacturers being able to deliver ongoing quantities of finished products on schedule, no further material increases in cost for electronic components, and no significant delay or material increases in cost for shipping
- The successful transformation of the Company’s go-to-market strategy
- The revenue trends the Company experienced in fiscal 2025 to-date, the trends we expect going forward in fiscal 2025, the impact of our transformation of our go-to-market strategy and the impact of growing economic headwinds globally
- The continuing effects of recent macro factors such as inflation, interest rates, recessions, invasions or declarations of war and a significant decrease in U.S. government spending
- There being continuing growth in the global UCaaS and cloud communications markets more generally
- There being continuing demand and subscriber growth for our Services and continuing demand as anticipated for our Products
- The impact of changes in global exchange rates on the demand for the Company’s Products and Services
- The ability of the Company’s customers to continue their business operations without any material impact on their requirements for the Company’s Products and Services
- The Company’s forecasted revenue from its internal sales teams and via channel partners will meet current expectations, which is based on certain management assumptions, including continuing demand for the Company’s products and services, no material

delays in receipt of products from its contract manufacturers, no further material increase to the Company's manufacturing, labor or shipping costs

- That the Company is able to attract and retain the employees needed to maintain the current momentum
- The timely execution of our ERP implementation in line with our forecasted budget

Non-IFRS Measures and Reconciliation of Non-IFRS Measure

This press release contains references to Adjusted EBITDA, a non-IFRS measure. Non-IFRS financial 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. Non-IFRS financial measures used herein have been applied on a consistent basis. "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 and change in fair value of consideration payable. Adjusted EBITDA is a measure used by many investors to compare issuers. We believe that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities before taking into consideration how they are financed, taxed, depreciated or amortized. Investors are cautioned that non-IFRS financial measures, such as Adjusted EBITDA, should not be construed as an alternative to net income or cash flow determined in accordance with IFRS. The IFRS measure most directly comparable to Adjusted EBITDA presented in our financial statements is net loss.

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

Unaudited in US $000	**Three month periods ended December 31,**				**Six month periods ended December 31,**			
	2024	2023	Change	Change	**2024**	2023	Change	Change
	$	$	$	%	**$**	$	$	%
Net loss	**(1,881)**	(3,239)	1,358	(41.9)%	**(3,791)**	(5,683)	1,892	(33.3)%
Tax expense (recovery)	**(274)**	(644)	370	(57.5)%	**(617)**	(991)	374	(37.7)%
Interest expense (net)	**1,105**	1,795	(690)	(38.4)%	**2,483**	3,457	(974)	(28.2)%
Share-based compensation	**1,038**	856	182	21.3%	**1,766**	1,518	248	16.3%
Depreciation of property and equipment	**1,006**	1,050	(44)	(4.2)%	**2,091**	2,123	(32)	(1.5)%
Depreciation of right-of-use assets	**653**	731	(78)	(10.7)%	**1,331**	1,490	(159)	(10.7)%
Amortization of intangibles	**8,199**	8,362	(163)	(1.9)%	**16,397**	16,723	(326)	(1.9)%
Restructuring and business integration costs	**242**	1,335	(1,093)	(81.9)%	**242**	1,491	(1,249)	(83.8)%
Loss on change in fair value of consideration payable	**—**	202	(202)	(100.0)%	**—**	202	(202)	(100.0)%
Adjusted EBITDA	**10,088**	10,448	(360)	(3.4)%	**19,902**	20,330	(428)	(2.1)%
Percentage of revenue	**17.1%**	16.8%	0.3%	1.7%	**16.7%**	16.2%	1.0%	6.2%

Sangoma Technologies Corporation
Larry Stock
Chief Financial Officer
investorrelations@sangoma.com

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

I, Charles Salameh, Chief Executive Officer of Sangoma Technologies Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Sangoma Technologies Corporation (the "issuer") for the interim period ended December 31, 2024.

2**.** ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

1. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
    a. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    b. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
2. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control – Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: February 5, 2025

/s/ Charles Salameh

Chief Executive Officer

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

I, Larry Stock, Chief Financial Officer of Sangoma Technologies Corporation, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Sangoma Technologies Corporation (the "issuer") for the interim period ended December 31, 2024.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

1. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

    a. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
    b. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
2. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control – Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: February 5, 2025

/s/ Larry Stock

Chief Financial Officer