QUARTERHILL

Q4 & Fiscal 2020 Conference Call

March 11, 2021

Paul Hill, President & CEO

John Rim, CFO



Important Cautionary Notes

Certain statements in this presentation, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties that face the Company. Such statements may contain words and expressions based on management's current assumptions and expectations related to estimates and assumptions made by Quarterhill in light of its experience and its perception of historical trends, current conditions, expected future developments and the expected effects of new business strategies, as well as other factors.

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This presentation includes references to adjusted Earnings Before Interest, Taxes, Depreciation and Amortization or "Adjusted EBITDA". adjusted for: (i) income taxes; (ii) finance expense or income; (iii) amortization and impairment of intangibles; (iv) special charges and other one-time items; (v) depreciation of right-of-use assets and property, plant and equipment; (vi) stock-based compensation; (vii) foreign exchange (gain) loss; and (viii) equity inearnings and dividends from joint ventures. Unless otherwise noted, all amounts are in Canadian dollars.

Reconciliation of Net Income to Adjusted EBITDA

(1,000s)

	Q4 2020	2020
Net income from continuing operations	-11,243	3,386
Adjusted for:		
Income tax expense (recovery)	-1,761	5,370
Foreign exchange loss	425	-88
Finance expense (income), net	47	-114
Special charges	864	1,736
Impairment losses on intangible assets	0	295
Depreciation and amortization	5,028	20,803
Stock based compensation expense	571	1,015
Dividend from joint venture	477	477
Other income	-488	-1,680
Adjusted EBITDA	**-6,080**	**31,200**

2020 Operational Highlights

Solid and resilient financial results despite COVID

Second successful jury verdict win in litigation against Apple

Launched ITS focused M&A strategy

Provided return of capital for shareholders through SIB and NCIB

Appointed new leadership

- Paul Hill, CEO
- John Rim, CFO
- Rish Malhotra, CEO of IRD

Sold VIZIYA for ~$50m resulting in strong IRR

Financial Highlights

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John Rim, CFO

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Financial Highlights

Consolidated Results (millions)

	F2020	Q4 2020
Revenue	$144.5	$18.1
Adjusted EBITDA	$31.2	-$6.1
Cash from operations	$35.2	$25.1
Cash balance	$141.3	
Working capital	$159.7	
Debt	$0	

~$15 million returned to shareholders in 2020 via dividends and share buybacks

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M&A Strategy

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Paul Hill, President & CEO











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We are investors in essential transportation technologies

Building from our existing cash-generating businesses, we are investing in the Intelligent Transportation Systems sector to become a global leader ird WiLAN



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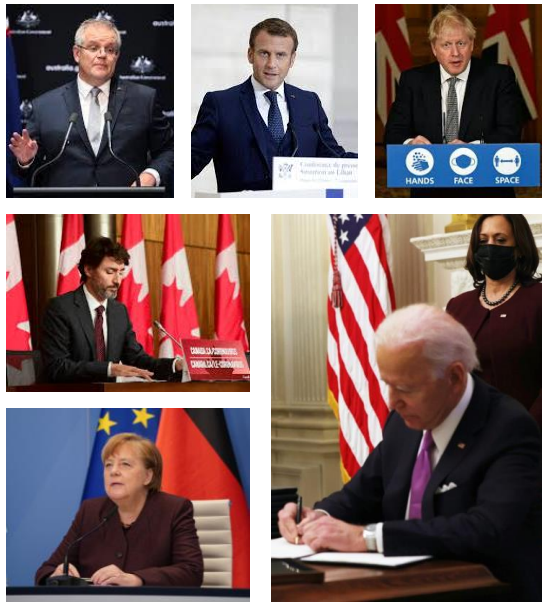
ITS: Compelling Market Tailwinds

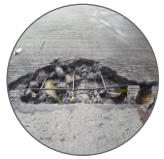


$20T

COVID stimulus

3X the amount spent on the 2008 financial crisis

US Case Study



US DoT reports **65% of all US roads are in poor condition**



Aging infrastructure costs the public an estimated **$160B in wasted fuel**

Buttigieg has publicly stated that he will work to deliver on the administration's proposal of a **$2 trillion campaign** aimed at retooling the country's infrastructure

ITS Growth Roadmap



Smart cities



Aviation



Marine



Rail

Other ITS segments

Road sub-segments



Vehicle Enforcement



Route Optimization



Public Transit



Road Tolls



Traffic Flow

Target capital deployment

up to $400M

over the next 5 years*

Progress to Date

SENSORLINE Closed January 5, 2021

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* Actual results may vary materially and are subject to market conditions and other factors and risks that are set out in the "Important Cautionary Notes" on slide 2.

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Q&A

March 11, 2021

TSX: QTRH

OTCQX: QTRHF

