



NEWS RELEASE

## Quarterhill Announces Completion of Substantial Issuer Bid

2020-07-17

KITCHENER, ON, July 17, 2020 /PRNewswire/ - Quarterhill Inc. ("Quarterhill") (TSX: QTRH) (OTCQX: QTRHF), announced today the final results of its "modified Dutch auction" substantial issuer bid for its outstanding common shares (the "**Shares**") from shareholders for cash (the "**Offer**"). The Offer expired at 5:00 p.m. (Toronto, Ontario time) on July 7, 2020.

In accordance with the terms and conditions of the Offer and based on the final count by Computershare Trust Company of Canada, as depositary for the Offer (the "**Depositary**"), Quarterhill has taken up and paid for 2,687,981 Shares that were properly tendered and not withdrawn at a purchase price of \$2.15 per Share (the "**Purchase Price**"), for an aggregate purchase price of approximately \$5.78 million excluding fees and expenses relating to the Offer.

The Shares purchased for cancellation under the Offer represent approximately 2.26% of the Shares issued and outstanding before giving effect to the Offer. After giving effect to the Offer, approximately 116,177,352 Shares are issued and outstanding.

Quarterhill has made payment for the Shares validly tendered by tendering the aggregate purchase price to the Depositary in accordance with the Offer and applicable laws, and payment to tendering shareholders will be effected by the Depositary. Payment for the Shares will be made in cash, without interest. Any Shares invalidly tendered will be returned to the tendering shareholder(s) promptly by the Depositary.

For Canadian federal income tax purposes, a deemed dividend equal to \$0.52 per Share arises on the Offer. For purposes of the enhanced dividend tax credit rules contained in the *Income Tax Act* (Canada) and any corresponding provincial and territorial tax legislation, Quarterhill designates the entire deemed dividend arising on each Share as an "eligible dividend". The "specified amount" of each Share (for purposes of subsection 191(4) of the *Income Tax Act* (Canada)) is \$2.10.

With the Offer now completed, as previously disclosed, Quarterhill intends to proceed to apply to the

Toronto Stock Exchange for a new Normal Course Issuer Bid to begin in the first half of August 2020.

This press release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares.

### **About Quarterhill**

Quarterhill is focused on the disciplined acquisition, management and growth of companies in dedicated technology areas including, vertical market software and solutions, intelligent industrial systems and innovation and licensing. Quarterhill's emphasis is on seeking out acquisition opportunities at reasonable valuations that provide a foundation for recurring revenues, predictable cash flows and margins, profitable growth, intimate customer relationships and dedicated management teams. Quarterhill is listed on the TSX under the symbol QTRH and on the OTCQX Best Market under the symbol QTRHF. For more information: [www.quarterhill.com](http://www.quarterhill.com)

### **Forward-looking Information**

This news release contains forward-looking statements regarding Quarterhill and its business. Forward-looking statements are based on 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 that Quarterhill believes are appropriate in the circumstances. The forward-looking events and circumstances discussed herein may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Quarterhill, including: potential risks and uncertainties relating to the ultimate geographic spread of the novel coronavirus ("COVID-19"); the severity of the disease; the duration of the COVID-19 outbreak; actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact; the potential negative impacts of COVID-19 on the global economy and financial markets and any resulting impact on Quarterhill and its business. Other factors include, without limitation, the risks described in Quarterhill's February 27, 2020 annual information form for the year ended December 31, 2019 (the "AIF"). Copies of the AIF may be obtained at [www.sedar.com](http://www.sedar.com). Quarterhill recommends that readers review and consider all of these risk factors and notes that readers should not place undue reliance on any of Quarterhill's forward-looking statements. Quarterhill has no intention, and undertakes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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