



NEWS RELEASE

## Quarterhill Announces Corporate Update

2020-03-30

KITCHENER, ON, March 30, 2020 /PRNewswire/ - Quarterhill Inc. ("Quarterhill" or the "Company") (TSX: QTRH) (OTCQX: QTRHF), is providing a corporate update in response to the dynamic and evolving business environment.

### **Capital Allocation and M&A Strategy Update**

In light of the underlying uncertainty in the general business environment, Quarterhill believes it is prudent to update its shareholders on its M&A diversification strategy.

Given the impact of COVID-19, the underlying uncertainty concerning valuations, the importance of preserving cash and the current vacancies in some key corporate executive positions, Quarterhill has decided to pause its M&A strategy and focus on its existing businesses.

In conjunction with this decision and considering the Company's significant cash balance and the cash-flow generating potential of its portfolio companies, Quarterhill's Board of Directors is undertaking a review of alternatives to return some capital to its shareholders. These options may include, but are not limited to, one or more of a Normal Course Issuer Bid, a Substantial Issuer Bid, a Common Share Dividend increase and/or a Special Dividend. The Company will update shareholders on this review in due course. The Company has no plans to make any changes to its dividend policy at this time.

"We have been proactive in discussions with our shareholders over the last several weeks and are listening to their concerns and input. Changes to the capital allocation and M&A Strategy reflect input from these discussions," said John Gillberry Chair of Quarterhill.

### **Operations Update**

The health and safety of its stakeholders is critical to Quarterhill. Along with its wholly owned subsidiaries, WiLAN, IRD and VIZIYA, the Company has implemented measures to protect employees, customers, partners, suppliers and communities from the spread of the COVID-19 virus. These proactive measures include working from home, eliminating travel and following closely the guidelines issued by the World Health Organization and other health and regulatory authorities in the respective geographies that the portfolio companies operate in.

Quarterhill's portfolio companies remain in operation and are continuing to execute on the delivery of existing customer mandates, while also working to build and sustain business pipelines and advance new opportunities through their respective sales cycles. As expected, the enhanced precautions being taken and the broader dynamic of the current business environment indicate that there may be some delay in the delivery of certain ongoing services, but fundamentally the operating prospects for all portfolio companies remain sound and are backed by Quarterhill's strong balance sheet.

Added Mr. Gillberry: "In turbulent and uncertain times like these, the well-being of our staff, their families and others tied to our organization is a priority. Operationally, Quarterhill is diversified with three independent businesses and we believe the fundamentals with all three remain sound and are capable of weathering the COVID-19 pandemic."

"Our CEO search continues, and we are hopeful it will soon result in the appointment of a strong qualified individual to lead the Company."

### **Virtual AGM – April 15, 2020**

As a reminder, Quarterhill will host its Virtual Annual Meeting ("AGM") on April 15, 2020 at 9:30 am EST. All shareholders will be able to listen to the virtual AGM as guests via our audio webcast. Registered and non-registered shareholders who want to attend as guests can login online at: <https://web.lumiagm.com/188712448>, click "Guest" and then complete the online form. We recommend that you log in at least ONE HOUR prior to the start time of the AGM on April 15, 2020.

Quarterhill's Notice of Meeting, Management Information Circular (the "Circular") and the accompanying form of proxy (collectively the "Meeting Materials") were mailed on or about March 19, 2020. If you have not received your Meeting Materials by March 31, 2020, please immediately contact your broker if you are a non-registered shareholder or contact Computershare if you are a registered shareholder.

For registered and/or non-registered shareholders to vote their proxies and/or ask questions at the AGM or to have their designated proxy cast their vote and/or ask questions at the virtual AGM on their behalf, shareholders must follow the instructions set out in the Company's Circular and the Virtual AGM Guide that accompanied the Meeting Materials.

Alternatively, shareholders can submit questions in advance to [ir@quarterhill.com](mailto:ir@quarterhill.com). Questions will be collected, organized by theme and posed to management at the meeting. Quarterhill is committed to addressing appropriate questions submitted by shareholders either live during the AGM or in advance, as timing and circumstances permit.

### **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 and forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other United States and Canadian securities laws. Forward-looking statements and forward-looking information 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. Many factors could cause Quarterhill's actual performance or achievements to differ materially from those expressed or implied by the forward-looking statements or forward-looking information. Such 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 or forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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