

Quarterhill Announces First Quarter 2020 Financial Results

2020-05-21

KITCHENER, ON, May 21, 2020 /PRNewswire/ - Quarterhill Inc. ("Quarterhill" or the "Company") (TSX: QTRH) (OTCQX: QTRHF), announces its financial results for the three-month period ended March 31, 2020. The Company historically prepared its consolidated financial statements in accordance with U.S. GAAP and in U.S. dollars. Effective January 1, 2020, the Company has adopted IFRS and the Canadian dollar as its reporting currency. The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2019, and throughout all periods presented as if these policies had always been in effect. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

First Quarter 2020 Highlights

- Revenue was \$26.0 million, including recurring revenue of \$6.2 million
- Adjusted EBITDA* was \$0.8 million
- Net loss was (\$5.1) million, or (\$0.04) per basic and diluted common share
- Cash generated from operations was \$9.1 million
- Cash and equivalents were \$103.1 million at March 31, 2020
- Jury awarded US\$85.2 million in damages to WiLAN in its patent suit re-trial against Apple
- Appointed Paul Hill as President and Chief Executive Officer of Quarterhill, effective June 1st
- Announced on May 19th that it had completed the sale of its total investment in VIZIYA, which represents its Enterprise Software segment, for total cash proceeds of \$49.4 million
- Announced today its intention to undertake a Substantial Issuer Bid ("SIB") and Normal Course Issuer Bid ("NCIB"), which follows the Company's review of alternatives to return capital to shareholders
- Effective today, Mr. Paul Hill and Dr. Michel Fattouche have been appointed to Quarterhill's Board of Directors

"In Q1, we made operational progress on several initiatives to strengthen the business and drive shareholder value," said John Gillberry, Chair of Quarterhill. "These included WiLAN winning its second jury trial verdict versus Apple, the Company making significant progress on its CEO search and the Board launching an initiative to return capital to shareholders. Both the CEO search and the initiative to return capital to shareholders were concluded subsequent to quarter-end. Regarding our financial performance, Q1 results reflect some of the variability inherent in the revenue model of our licensing business, as well as the favorable impact from some of the cost-cutting initiatives we have undertaken throughout the organization in recent years."

"Q1's operational and financial results were achieved against the backdrop of the COVID-19 pandemic, a factor which led us to pause our M&A strategy in March to focus on our team and on our existing operations. We have taken safety precautions to protect our employees and the communities we serve, and all of our businesses remain in operation, doing their best to serve clients, identify new opportunities and close new business. The enhanced precautions we have taken combined with the current economic environment means that in certain circumstances there is some delay in activity related to providing ongoing services or initiating new engagements; however, overall, the operational prospects for all of our businesses remain sound and are backed by the strong financial position of Quarterhill. We will revisit our M&A strategy as the broader situation evolves and with our new CEO coming onboard in June."

"Subsequent to quarter-end, we announced that Paul Hill will be joining Quarterhill as President and CEO and will start on June 1st. Paul is the ideal leader for our business today. He has extensive experience driving growth in the technology industry and has both run organizations as well as led M&A transactions. Paul will initially focus on enhancing operations with our existing portfolio companies, engaging with employees, customers and the investment community, and updating our growth strategy."

Subsequent Event - VIZIYA Sale

On May 19, 2020, Quarterhill announced that it had completed the sale of its total investment in VIZIYA, which represents its Enterprise Software segment, for total cash proceeds of \$49.4 million. Proceeds from the transaction will be used to support the Company's growth initiatives. The sale of this business segment and all IFRS 5 - *Non-current assets held for sale and discontinued operations* disclosure requirements will be reported in the second quarter financial statements.

Originally acquired in May 2017, VIZIYA is a software and services provider that helps companies optimize their asset performance and uptime. VIZIYA has been a solid performer and the Company was not proactively looking to sell this investment; however, this opportunistic transaction provides several strategic benefits to Quarterhill. This sale generated significant cash proceeds and delivered a strong internal rate of return on our initial investment. In addition, it enables us to drive our future growth and return some capital to shareholders as further discussed below.

Subsequent Event - Substantial Issuer Bid

Quarterhill is announcing today its intention to make a Substantial Issuer Bid ("SIB") pursuant to which the Company will offer to purchase for cancellation up to \$20.0 million of its outstanding common shares ("Shares") from shareholders for cash (the "Proposed Bid"). Subject to market and other conditions, the Company expects that the Proposed Bid, by way of modified-Dutch auction with a price range of not less than \$1.95 per Share and not more than \$2.15 per Share (in increments of \$0.05 per share within that range), will commence in early June 2020 and is scheduled to be completed in early July 2020. The Company intends to fund the Proposed Bid with cash on its balance sheet. Upon completion of the SIB, the Company intends to apply to the Toronto Stock Exchange ("TSX") for a Normal Course Issuer Bid ("NCIB"), subject to regulatory approval.

Mr. Gillberry added: "With the search for our new CEO complete, we can now turn our undivided attention to Quarterhill's portfolio companies and capital allocation strategy announced in March. In light of the cash-flow generating potential of our portfolio companies and the pause in our M&A strategy, our Board of Directors has approved the launch of a Substantial Issuer Bid. This decision reflects our solid financial position, further enhanced by the recently announced divestiture of VIZIYA, strong ongoing earnings potential and confidence in Quarterhill's underlying value. Commencing a Substantial Issuer Bid followed by a Normal Course Issuer Bid are part of our return of capital to shareholders."

In the view of management and the Board of Directors, the recent trading price of the Shares is not fully reflective of the value of the Company's business and future prospects and therefore, the purchase of Shares under the Proposed Bid represents an attractive investment and an equitable and efficient means of providing value to its shareholders. Quarterhill's management and its Board of Directors have agreed not to tender any Shares to the Proposed Bid.

Quarterhill has engaged CIBC Capital Markets as its financial advisor and dealer manager in connection with the Proposed Bid.

Subsequent Event - Board of Directors Appointments

Effective today, Mr. Paul Hill and Dr. Michel Fattouche have been appointed to Quarterhill's Board of Directors. "We are very pleased to add these two to our Board," said Mr. Gillberry. "Each is an accomplished technology-industry veteran with Board and leadership experience, and we look forward to leveraging their expertise in areas such as operations, licensing, governance and M&A."

Mr. Hill, as previously announced, will be joining Quarterhill on June 1st as its President and CEO. Dr. Fattouche, who co-founded Wi-LAN Inc. in 1993, is currently a professor in the department of electrical and computer engineering at the University of Calgary where his work has focused on 5G cellular standards. Dr. Fattouche previously served on the Quarterhill board from 2006 to 2018.

Mr. Gillberry continued: "We are very excited to have Michel back on our Board. He is an entrepreneur and true innovator whose inventions on 3G and 4G cellular standards led to some of the most commonly used wireless technology today. Michel remains one of Quarterhill's largest shareholders, and we look forward to once again being in a position to benefit from his insightful and trusted counsel as we execute on our growth opportunities."

Approval of Eligible Dividend

The Board of Directors has declared an eligible quarterly dividend of \$0.0125 per common share payable on July 3, 2020, to shareholders of record on June 12, 2020.

Q1 2020 Consolidated Financial Review

Consolidated revenues for the three months ended March 31, 2020 ("Q1 2020") were \$26.0 million, compared to \$53.0 million in Q1 2019. Virtually all of WiLAN's licenses are one-time in nature and accordingly significant fluctuations in revenue, gross margin, and Adjusted EBITDA can result when the volume or dollar value of licenses changes from one period to the next. Revenue was lower year-over-year due primarily to the closure of larger licensing contracts in Q1 2019 in comparison to Q1 2020 wherein WiLAN completed smaller sized contracts. This was offset, in part, by an increase in revenue at VIZIYA.

Recurring revenue was \$6.2 million in Q1 2020 compared to \$7.5 million in Q1 2019. Certain revenues characterized as recurring have a timing component to them and are recognized when the related work is completed. As such, the decrease in recurring revenue in Q1 2020 is primarily a timing-based issue and does not reflect lower renewal or retention rates.

Gross margin for Q1 2020 was \$11.0 million, or 42%, compared to \$26.6 million, or 50%, in Q1 2019. Gross margin was lower year-over-year due primarily to lower revenue at WiLAN as described above.

Operating expenses include selling, general and administrative costs ("SG&A"), research and development costs ("R&D"), depreciation and amortization of intangible assets and special charges. Operating expenses for Q1 2020 were \$16.6 million, compared to \$19.5 million in Q1 2019. Operating expenses in Q1 2020 were lower year-over-year due primarily to lower SG&A, amortization of intangibles and special charges, offset, in part, by higher R&D at IRD and VIZIYA.

Adjusted EBITDA for Q1 2020 was \$0.8 million compared to \$17.1 million in Q1 2019. The decrease in Adjusted EBITDA reflects the lower revenue at WiLAN and IRD, offset in part, by higher revenue at VIZIYA and lower corporate expenses.

Net loss for Q1 2020 was (\$5.1) million, or (\$0.04) per basic and diluted common share, compared to net loss of (\$0.05) million, or (\$0.00) per basic and diluted common share, in Q1 2019. The year-over-year change was due primarily to the factors described above that impacted Adjusted EBITDA.

Cash generated from operations for Q1 2020 was \$9.1 million, compared to (\$16.0) million of cash used in operations in Q1 2019. Cash and cash equivalents and short-term investments increased to \$103.1 million at March 31, 2020, compared to \$89.4 million at December 31, 2019. The Company had debt of \$2.7 million at March 31, 2020, compared to \$4.4 million at December 31, 2020.

Conference Call and Webcast

Quarterhill will host a conference call to discuss its financial results today at 10:00 AM Eastern Time.

Webcast Information

Live webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1311913&tp_key=42224f724d

Dial-in Information

- To access the call from Canada and U.S., dial 1.888.231.8191 (Toll Free)
- To access the call from other locations, dial 1.647.427.7450 (International)

Replay Information

Webcast replay will be available for 90 days at:

https://produceredition.webcasts.com/starthere.jsp?ei=1311913&tp_key=42224f724d

Telephone replay will be available from 1:00 p.m. Eastern Time on May 21, 2020 until 11:59 p.m. Eastern Time on June 4, 2020 at: 1.855.859.2056 (Toll Free) or 1.416.849.0833 (International). The telephone replay requires the passcode 5071549.

The table below highlights financial performance for the Company's Licensing, Intelligent Systems and Enterprise Software segments. For detailed results and discussion related to these segments, please refer to the Management's Discussion and Analysis document, which will be filed on SEDAR and at www.quarterhill.com in the investor section.

	For the three months ended March 31, 2020				
		Intelligent	Enterprise		
	Licensing	Systems	Software	Corporate	Total
Revenues	\$ 10,183	\$ 11,406	\$ 4,433	\$ —	\$ 26,022
Direct cost of revenues	5,767	8,416	871	—	15,054
Gross profit	4,416	2,990	3,562	—	10,968
Depreciation of right-of-use assets	61	168	31	15	275
Depreciation of property, plant and equipment	16	203	43	5	267
Amortization of intangibles	3,484	1,259	1,015	—	5,758
Selling, general and administrative expenses	979	3,482	1,910	1,832	8,203
Research and development	—	870	1,026	—	1,896
Special charges	—	—	—	213	213
Results from operations	(124)	(2,992)	(463)	(2,065)	(5,644)
Finance income	(100)	(1)	—	(121)	(222)
Finance expense	39	52	10	5	106
Foreign exchange loss (gain)	1,244	(689)	79	(1,133)	(499)
Other income	—	(378)	—	—	(378)
Loss before taxes	(1,307)	(1,976)	(552)	(816)	(4,651)
Current income tax expense (recovery)	1,186	80	(29)	—	1,237
Deferred income tax (recovery) expense	(1,402)	(783)	(343)	1,752	(776)
Income tax (recovery) expense	(216)	(703)	(372)	1,752	461
Net loss	\$ (1,091)	\$ (1,273)	\$ (180)	\$ (2,568)	\$ (5,112)
Adjusted EBITDA	3,467	(1,336)	596	(1,914)	813

Other reconciling items:

Stock-based compensation	30	26	(30)	(82)	(56)
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For the three months ended March 31,2019

	Intelligent		Enterprise		Total
	Licensing	Systems	Software	Corporate	
Revenues	\$ 37,391	\$ 12,415	\$ 3,158	\$ —	\$ 52,964
Direct cost of revenues	17,004	8,904	408	—	26,316
Gross profit	20,387	3,511	2,750	—	26,648
Depreciation of right-of-use assets	300	173	29	15	517
Depreciation of property, plant and equipment	55	402	41	5	503
Amortization of intangibles	4,691	1,258	1,006	—	6,955
Selling, general and administrative expenses	532	3,140	2,062	2,573	8,307
Research and development	—	738	782	—	1,520
Special charges	1,724	—	—	—	1,724
Results from operations	13,085	(2,200)	(1,170)	(2,593)	7,122
Finance income	(24)	(3)	—	(242)	(269)
Finance expense	4	94	5	4	107
Foreign exchange (gain) loss	(255)	255	44	278	322
Other income	—	(98)	—	—	(98)
Income (loss) before taxes	13,360	(2,448)	(1,219)	(2,633)	7,060
Current income tax expense	5,194	226	—	—	5,420
Deferred income tax expense (recovery)	2,565	(796)	(437)	355	1,687
Income tax expense (recovery)	7,759	(570)	(437)	355	7,107
Net income (loss)	\$ 5,601	\$ (1,878)	\$ (782)	\$ (2,988)	\$ (47)
Adjusted EBITDA	19,827	(327)	(75)	(2,363)	17,062

Other reconciling items:

Stock-based compensation	(28)	40	19	210	241
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***Non-IFRS Disclosure**

Quarterhill has historically used a set of metrics when evaluating our operational and financial performance. We continually monitor, evaluate and update these metrics as required to ensure they provide information considered most useful, in the opinion of our management, to any decision-making based on Quarterhill's performance. This section defines, quantifies and analyzes the key performance indicators used by our management and referred to elsewhere in this press release, which are not recognized under IFRS and have no standardized meaning prescribed by IFRS. These indicators and measures are therefore unlikely to be comparable to similar measures presented by other issuers.

In this press release, we use the Non-IFRS term "Adjusted EBITDA" to mean net income (loss) from continuing operations before: (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) effects of deleted deferred revenue; (vii) stock-based compensation; (viii) foreign exchange (gain) loss; and (ix) equity in earnings and dividends from joint ventures. Adjusted EBITDA is used by our management to assess our normalized cash generated on a consolidated basis and in our operating segments. Adjusted EBITDA is also a performance measure that may be used by investors to analyze the cash generated by Quarterhill and our operating segments. Adjusted EBITDA should not be interpreted as an alternative to net income and cash flows from operations as determined in accordance with IFRS or as a measure of liquidity.

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 gross margin, 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

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. 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.

All trademarks and brands mentioned in this release are the property of their respective owners.

Quarterhill Inc.

Condensed Consolidated Interim Statements of Loss

(Unaudited)

(in thousands of Canadian dollars, except share and per share amounts)

Three months ended March 31,

	2020	2019
Revenues		
	\$ 10,729	\$ 37,199
License	8,003	7,448
Systems	1,043	859
Services	6,247	7,458
Recurring	26,022	52,964
Direct cost of revenues		
	5,740	17,026
License	5,980	5,043
Systems	867	386
Services	2,467	3,861
Recurring	15,054	26,316
Gross profit	10,968	26,648
Operating expenses		
	275	517
Depreciation of right-of-use assets	267	503
Depreciation of property, plant and equipment	5,758	6,955
Amortization of intangibles	8,203	8,307
Selling, general and administrative expenses	1,896	1,520
Research and development expenses	213	1,724
Special charges	16,612	19,526
Results from operations	(5,644)	7,122
Finance income	(222)	(269)
Finance expense	106	107
Foreign exchange (gain) loss	(499)	322

Other income	(378)	(98)
(Loss) income before taxes	(4,651)	7,060
Current income tax expense	1,237	5,420
Deferred income tax (recovery) expense	(776)	1,687
Income tax expense	461	7,107
Net loss	\$ (5,112)	\$ (47)

Net loss per share

Basic	\$(0.04)	\$(0.00)
Diluted	\$(0.04)	\$(0.00)

Quarterhill Inc.

Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited)

(in thousands of Canadian dollars)

Three months ended March 31,

	2020	2019
Net loss	\$ (5,112)	\$ (47)
Other comprehensive income (loss) which may be reclassified to net loss:		
Foreign currency translation adjustment	21,094	(4,599)
Comprehensive income (loss)	\$ 15,982	\$ (4,646)

Quarterhill Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(in thousands of Canadian dollars)

As at	March 31, 2020	December 31, 2019	January 1, 2019
Current assets			
	\$ 101,596	\$ 87,870	\$ 87,029
Cash and cash equivalents	1,550	1,550	1,551
Short-term investments	—	—	2,995
Restricted short-term investments	24,535	42,925	14,719
Accounts receivable (net of allowance for doubtful accounts)	351	108	124
Other current assets	8,883	8,965	5,432
Unbilled revenue	99	137	270
Income taxes receivable	8,653	8,570	8,114
Inventories (net of obsolescence)	2,349	2,242	2,927
Prepaid expenses and deposits	148,016	152,367	123,161
Non-current assets			
	4,076	3,846	565
Accounts receivable	4,404	4,502	3,972
Right-of-use assets	2,975	2,826	3,614
Property, plant and equipment	89,833	89,534	119,015
Intangible assets	5,952	5,233	5,203
Investment in joint venture	36,538	33,270	36,948
Deferred income tax assets	35,911	32,977	34,446
Goodwill	179,689	172,188	203,763
TOTAL ASSETS	\$ 327,705	\$ 324,555	\$ 326,924
Liabilities			
Current liabilities	\$ 2,379	\$ 4,026	\$ 3,537
Bank indebtedness	15,047	25,755	24,644
Accounts payable and accrued liabilities	254	203	—
Income taxes payable	1,022	998	1,120
Current portion of lease liabilities	—	—	1,265
Contingent liabilities	9,834	8,638	6,357

Current portion of deferred revenue	65	59	407
Current portion of long-term debt	28,601	39,679	37,330
Non-current liabilities			
	1,617	1,513	1,954
Deferred revenue	3,364	3,550	2,604
Long-term lease liabilities	288	271	236
Long-term debt	3,121	3,297	5,905
Deferred income tax liabilities	8,390	8,631	10,699
TOTAL LIABILITIES	\$ 36,991	\$ 48,310	\$ 48,029
Shareholders' equity			
	\$ 570,577	\$ 570,553	\$ 570,553
Capital stock	31,955	32,011	31,252
Contributed surplus	32,030	10,936	22,112
Accumulated other comprehensive income	(343,848)	(337,255)	(345,022)
Deficit	290,714	276,245	278,895
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 327,705	\$ 324,555	\$ 326,924

Quarterhill Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(in thousands of Canadian dollars)

	Three months ended March 31,	
	2020	2019
Cash generated from (used in) Operations		
Net loss	\$ (5,112)	\$ (47)
Non-cash items	(56)	241
Stock-based compensation (recovery) expense	275	517
Depreciation of right-of-use assets	56	49
Interest expense on lease liabilities		

	6,025	7,457
Depreciation and amortization	266	(82)
Foreign exchange loss (gain)	(378)	(98)
Equity in earnings from joint venture	(4)	—
Gain on disposal of assets	(776)	1,687
Deferred income tax (recovery) expense	110	—
Accrued investment income	(222)	93
Embedded derivatives	8,907	(25,756)
<u>Changes in non-cash working capital balances</u>		
Cash from (used in) operations	9,091	(15,939)
Financing		
	(1,481)	(1,502)
Dividends paid	(1,812)	96
Bank indebtedness	(317)	(451)
Payment of lease liabilities	(107)	(32)
Repayment of long-term debt	24	—
<u>Common shares issued from Performance Stock Units</u>		
Cash used in financing	(3,693)	(1,889)
Investing		
	4	—
Proceeds from sale of property, plant and equipment	(371)	(210)
Purchase of property and equipment	(17)	(27)
<u>Purchase of intangibles</u>		
Cash used in investing	(384)	(237)
Foreign exchange gain (loss) on cash held in foreign currency	8,712	(1,670)
<u>Net increase (decrease) in cash and cash equivalents</u>	13,726	(19,735)
Cash and cash equivalents, beginning of period	87,870	87,029
<u>Cash and cash equivalents, end of period</u>	\$ 101,596	\$ 67,294

Quarterhill Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(in thousands of Canadian dollars)

	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Equity
US\$, US GAAP - January 1, 2019	\$ 419,111	\$ 22,957	\$ 16,243	\$ (253,443)	\$ 204,868
Balance - January 1, 2019	\$ 570,553	\$ 31,252	\$ 22,112	\$ (345,022)	\$ 278,895
Net loss	—	—	—	(47)	(47)
Other comprehensive loss	—	—	(4,599)	—	(4,599)
Stock-based compensation expense	—	241	—	—	241
Dividends declared	—	—	—	(1,502)	(1,502)
Balance - March 31, 2019	\$ 570,553	\$ 31,493	\$ 17,513	\$ (346,571)	\$ 272,988
US\$, US GAAP - January 1, 2020	\$ 419,111	\$ 23,527	\$ 16,797	\$ (247,391)	\$ 212,044
US\$, IFRS adjustments				\$ (85)	\$ (85)
US\$, IFRS - January 1, 2020	\$ 419,111	\$ 23,527	\$ 16,797	\$ (247,476)	\$ 211,959
Balance - January 1, 2020	\$ 570,553	\$ 32,011	\$ 10,936	\$ (337,255)	\$ 276,245
Net loss	—	—	—	(5,112)	(5,112)
Other comprehensive income	—	—	21,094	—	21,094
Stock-based compensation expense	—	(56)	—	—	(56)
Common shares issued from performance stock units	24	—	—	—	24
Dividends declared	—	—	—	(1,481)	(1,481)
Balance - March 31, 2020	\$ 570,577	\$ 31,955	\$ 32,030	\$ (343,848)	\$ 290,714

Quarterhill Inc.

Reconciliations of Net Loss to Adjusted EBITDA

(Unaudited)

(in thousands of Canadian dollars, except share and per share amounts)

Adjusted EBITDA	Three months ended March 31,			
	2020		2019	
	\$	Per Share	\$	Per Share
Net loss	\$ (5,112)	\$ (0.04)	\$ (47)	\$ —
Adjusted for:				
Income tax expense	461	—	7,107	0.06
Foreign exchange (gain) loss	(499)	—	322	—
Finance expense	106	—	107	—
Finance income	(222)	—	(269)	—
Special charges	213	—	1,724	0.01
Amortization of intangibles	5,758	0.05	6,955	0.06
Depreciation of property, plant and equipment	267	—	503	—
Depreciation of right-of-use assets	275	—	517	0.01
Stock based compensation (recovery) expense	(56)	—	241	—
Other income	(378)	—	(98)	—
Adjusted EBITDA	\$ 813	\$ 0.01	\$ 17,062	\$ 0.14

Weighted average number of Common Shares

Basic	118,857,433	11,817,466
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