Quarterhill

NEWS RELEASE

Quarterhill Reaches Favorable Mediation Agreement, Strengthening Tolling Contract

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TORONTO, Sept. 2, 2025 /PRNewswire/ - Quarterhill Inc. ("Quarterhill" or the "Company") (TSX: QTRH) (OTCQX: QTRHF), a leading global provider of intelligent transportation system ("ITS") solutions, today announced the successful resolution of a previously disclosed contract renegotiation with one of the Company's tolling customers.

The resolution, reached through constructive mediation, reflects the shared commitment of both Quarterhill and its customer to fostering a strong, long-term partnership. Together, the parties chose to reset the relationship on positive new terms, laying the foundation for a healthier, more collaborative, and mutually beneficial future.

Pending final approval by the customer's governing body, the resolution includes a one-time payment to Quarterhill in Q3 2025 to address historical cost-recovery matters. In addition, the agreement secures improved payment terms, enhanced performance standards, and a structure that raises annual revenue while simultaneously reducing costs associated with the previous contract. Importantly, the new terms also provide a termination-for-convenience provision covering a three-year operations and maintenance period, with financial incentives that support stronger margins and reward exceptional performance.

"This outcome represents an exciting step forward for Quarterhill and our valued customer," said Chuck Myers, Chief Executive Officer of Quarterhill. "By working together in good faith, we've not only resolved past issues but created a framework that strengthens our relationship, improves predictability, and sets the stage for long-term success. This agreement underscores the trust our customers place in Quarterhill and highlights the Company's proactive approach to building sustainable partnerships. We're proud of this resolution and energized about the opportunities it creates for both sides as we continue to deliver smarter, safer, and more efficient transportation solutions."

This resolution marks a significant milestone in Quarterhill's operational transformation, offering greater clarity for shareholders while reaffirming the Company's commitment to strong customer relationships and forward-looking growth.

About Quarterhill

Quarterhill is a leading provider of tolling and enforcement solutions in the Intelligent Transportation System (ITS) industry. Our goal is technology-driven global leadership in ITS, via organic growth of our tolling and enforcement businesses, and by continuing an acquisition-oriented investment strategy that capitalizes on attractive growth opportunities within ITS and its adjacent markets. 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 information and forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). Such forward-looking statements relate to future events, conditions or future financial performance of Quarterhill based on future economic conditions and courses of action. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of any words such as "seek", "anticipate", "budget", "plan", "goal", "expect" and similar expressions. Specifically, this news release contains forward-looking statements relating to, but not limited to: approval of the mediation agreement by the customer's governing body; operational and financial impacts of the agreement; the results of the Company's efforts to improve margins and strengthen its financial position; the Company's operational transformation and growth expectations.

Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Material risk factors that could cause actual results to differ materially from the forward-looking statements contained in this news release include, among others, approval of the Agreement by customer's governing body; demand for Quarterhill's products and services; general economic and market conditions; competition; risks relating to technological advances and cyber-security; force majeure risks; risks associated with operations in foreign countries, including but not limited to changes in government policies, political or economic instability, currency fluctuations, difficulties in enforcing contracts and intellectual property rights, differing regulatory and legal requirements, and potential difficulties in repatriating funds; and other risks set forth in the Company's most recent annual information form available on SEDAR+ at www.sedarplus.ca.

The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. Material factors and assumptions used to develop the forward-looking statements contained in this news release include, among others: Quarterhill's ability to execute on its business plan; demand for Quarterhill's products and services; operating assumptions; and financial projections and cost estimates. The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Company's operations or financial results are included in the Company's most recent annual information form and other public documents on file with the Canadian Securities regulatory authorities on www.sedarplus.ca.

The forward-looking statements represent the Company's views as at the date of this news release. There can be no assurance that forward-looking statements will prove to be accurate, as actual events and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on any forward-looking statement. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

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