

Quarterhill Announces Commencement of \$20 Million Substantial Issuer bid

KITCHENER, ON, June 1, 2020 /CNW/ - Quarterhill Inc. ("Quarterhill" or the "Company") (TSX: QTRH) (OTCQX: QTRHF) announces that it has formally commenced its previously announced substantial issuer bid, pursuant to which the Company is offering to purchase for cancellation up to \$20.0 million of its outstanding common shares (the "Shares") from shareholders for cash (the "Offer"). All dollar amounts are in Canadian dollars, unless otherwise stated.

The Offer is proceeding by way of a modified "Dutch auction", which allows shareholders to select the price, within the specified range, at which each shareholder is willing to sell all or a portion of the Shares that such shareholder owns. Shareholders who wish to participate in the Offer will be able to do so through (i) auction tenders in which they will specify the number of Shares being tendered at a price of not less than \$1.95 per Share and not more than \$2.15 per Share in increments of \$0.05 per Share or (ii) purchase price tenders in which they will not specify a price per Share, but will rather agree to have a specified number of Shares purchased at the purchase price to be determined by the Company. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

The Offer will be for up to a maximum of 10,256,410 Shares or approximately 8.63% of Quarterhill's 118,865,333 Shares issued and outstanding based on full participation and a purchase price equal to the minimum purchase price of \$1.95 per Share. The Company intends to fund the Offer with cash on its balance sheet. The directors and officers of the Company have advised that they will not tender any of their Shares pursuant to the Offer.

The Offer will expire at 5:00 p.m. (Toronto, Ontario time) on July 7, 2020, unless extended, varied or withdrawn by Quarterhill. The Offer will not be conditional upon any minimum number of Shares being tendered. The Offer will, however, be subject to other conditions and Quarterhill will reserve the right, subject to applicable laws, to withdraw, extend or vary the Offer, at any time prior to the payment of deposited Shares.

The formal offer to purchase and issuer bid circular, together with the related letter of transmittal and notice of guaranteed delivery (collectively, the "Offer Documents"), containing the terms and conditions of the Offer and instructions for tendering Shares, among other things, are being mailed to shareholders and will be filed on June 1, 2020 with the applicable securities regulators and will be available at the Company's profile on SEDAR at www.sedar.com. Due to potential delivery delays resulting from the current COVID-19 environment, if you have not received your Offer Documents by June 19, 2020, please immediately contact your broker if you are a non-registered shareholder or contact Computershare if you are a registered shareholder.

Upon completion of the Offer, Quarterhill intends to apply to the Toronto Stock Exchange (the "TSX") for a Normal Course Issuer Bid (the "NCIB"), subject to regulatory approval. Further details on the NCIB will be provided in due course.

CIBC World Markets Inc. is the dealer manager for the Offer. Any questions or requests for assistance in tendering Shares to the Offer may be directed to CIBC World Markets Inc. or to Computershare Investor Services Inc., the depositary for the Offer. Contact information can be found in the issuer bid circular.

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. The solicitation and the offer to buy Shares are only being made pursuant to the Offer Documents. The Board of Directors of Quarterhill has approved the Offer. However, none of the Company, its Board of Directors, the dealer manager or the depositary makes any recommendation to shareholders as to whether to tender or refrain from tendering Shares to the Offer. Shareholders are strongly urged to read the Offer Documents carefully and to consult with their financial and tax advisors prior to making any decision with respect to the Offer.

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

Forward-looking Information

This news release contains forward-looking statements regarding Quarterhill and its business, including, but not limited to statements relating to the pricing, timing, completion and other terms of the Offer, and Quarterhill's expected source of funds for the Offer. 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: the Offer not occurring as expected, including the failure of any condition to the Offer; Quarterhill's inability to finance the Offer in the manner it intends; the extent to which shareholders elect to tender their Shares under the Offer; Quarterhill having sufficient financial resources and working capital following completion of the Offer (including to fund currently anticipated financial obligations and pursue desirable business opportunities); 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 the satisfaction of the conditions of the Offer such that Quarterhill may not be required to purchase the Shares and/or may terminate the Offer. 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. 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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