

Quarterhill Announces Fourth Quarter and Fiscal 2021 Financial Results

TORONTO, March 21, 2022 /CNW/ - Quarterhill Inc. ("Quarterhill" or the "Company") (TSX: QTRH) (OTCQX: QTRHF), announces its financial results for the three months and year ended December 31, 2021. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

Fiscal 2021 Highlights

- Consolidated revenue was \$125.7 million
- Consolidated Adjusted EBITDA¹ was \$5.0 million^[1]
- Cash, cash equivalents, and short-term investments of \$72.6 million at December 31, 2021
- Working capital of \$105.1 million at December 31, 2021^[1]
- Acquired Electronic Transaction Consultants, LLC ("ETC") a leading provider of tolling and mobility systems in the Intelligent Transportation Systems ("ITS") industry
- Acquired Sensor Line GmbH and VDS GmbH, as tuck-in acquisitions for International Road Dynamics ("IRD")
- WiLAN completed licensing deals with LG, Motorola and Marvell, among others, as well as a number of patent acquisitions related to semiconductor technologies including wired connectivity functionality for various USB-C technologies
- Completed a \$57.5 million bought-deal public offering of convertible debentures, which included the exercise of the full over-allotment option

"2021 was characterized as a year of M&A with the deployment of \$160 million in capital on three acquisitions in our ITS business," said Bret Kidd, President and CEO of Quarterhill. "These transactions have brought scale to our ITS operations, established our leadership position in the tolling market, expanded our geographic footprint, created compelling synergy opportunities and delivered a second platform in ITS from which we can pursue tuck-in M&A. Our strong year-over-year revenue growth in the ITS segment in Q4 reflected the first full period of financial results from all of the acquired businesses and demonstrates the potential of our ITS operations."

"We believe there has never been a better time to be in ITS. The industry has multiple market tailwinds and the need for ITS and user-funded infrastructure has increased the industry outlook for growth from a mid-single digit percentage to an expected CAGR of 15% in the coming years. We have two well-respected platform companies in the space with deep and talented teams, which are both coming off of a record year for new order bookings and who both have significant pipelines for new sales and tuck-in M&A opportunities. Backed by Quarterhill's strong financial position, we believe we are well positioned to capitalize on the growing opportunity in ITS."

"On the licensing side of the business, WiLAN had several licensing and patent acquisition successes in 2021 while contending with challenges posed by the pandemic. Throughout the year, COVID was a hurdle for travel and in-person meetings, and the courts experienced some COVID-related delays as they work through their backlog of cases. Despite this, WiLAN completed a number of licensing deals with LG, Motorola and Marvell, among others, and had positive Adjusted EBITDA for the fiscal year."

WiLAN Strategic Review

In December 2021, Quarterhill announced the commencement of a strategic review process for the WiLAN business. A special committee of the Board of Directors was formed to oversee the process and Stout Capital, LLC ("Stout") has been selected as the financial advisor to conduct the strategic review. Stout is a global investment bank and advisory firm that has served companies in more than 80 countries over its 30-year history and has substantial expertise with IP transactions. Results of the review process could include a number of different options, however, there is no assurance that the strategic review process will result in the completion of any transaction or other alternative.

Approval of Eligible Dividend

On March 9, 2022, the Board of Directors declared an eligible quarterly dividend of \$0.0125 per common share payable on April 8, 2022, to shareholders of record on March 18, 2022.

Q4 and Fiscal 2021 Financial Review

The Consolidated Financial Statements ("financial statements") for the three months and year ended December 31, 2021 and for the respective comparison periods have been prepared to reflect continuing operations and therefore exclude results in 2020 during those periods from VIZIYA, which was sold by Quarterhill on May 15, 2020. The 2020 operating results from VIZIYA, up to the date of sale on May 15, 2020, are reported as net income from discontinued operations in accordance with IFRS 5.

Quarterhill's revenue is broadly segmented into ITS, reflecting the IRD and ETC businesses, and Licensing, reflecting the WiLAN business. ETC was acquired September 1, 2021 and as a result, the financial statements for the three months ended December 31, 2021 include a full period of ETC's financial results, and for the year ended December 31, 2021, the financial statements include approximately four months of ETC's financial results.

Quarterhill's Management's Discussion and Analysis and financial statements for the three months and year ended December 31, 2021 are available at the [Company's website](#) and at its profile at [SEDAR](#).

Consolidated revenues for the three months ended December 31, 2021 ("Q4 2021") were \$51.2 million, compared to \$18.1 million in Q4 2020. Consolidated revenues for the year ended December 31, 2021 ("Fiscal 2021") were \$125.7 million, compared to \$144.5 million in Fiscal 2020. ITS revenue increased in Q4 2021 and Fiscal 2021 due primarily to the three acquisitions - ETC,

Sensor Line and VDS - completed during the year. Q4 2021 ITS revenue was \$46.5 million compared to \$17.6 million in Q4 2020, with the increase primarily reflecting a full period of contribution from ETC.

Licensing revenue increased in Q4 2021 compared to Q4 2020 reflecting a greater level of licensing activity in the period. For Fiscal 2021, WiLAN licensing revenue was lower than Fiscal 2020, due primarily to significant licensing activity in Q3 2020. As the majority of its licenses are generally one-time in nature, 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. Despite headwinds related to the COVID-19 pandemic, WiLAN continues to show it can complete licensing agreements in a challenging environment.

Gross margin¹ for Q4 2021 was 24% compared to 9% in Q4 2020. Gross margin for Fiscal 2021 was 30% compared to 41% in Fiscal 2020. Gross margin in the ITS segment was 28% in Q4 2021 compared to 37% in Q4 2020, and for Fiscal 2021 was 34%, compared to 40% in Fiscal 2020. ITS margins may fluctuate on a quarterly basis depending primarily on the nature of projects underway during the period and the related margin profile. Gross margin in the licensing business will fluctuate based on the overall level of revenues achieved in addition to being dependent on contingent legal and partner costs incurred in a respective period relative to revenue generated. Gross margin in the Licensing business in Fiscal 2021 was 15% compared to 41% in Fiscal 2020.

Operating expenses include selling, general and administrative costs ("SG&A"), research and development costs ("R&D"), depreciation and amortization and other charges. Operating expenses for Q4 2021 were \$21.4 million compared to \$14.2 million in Q4 2020. Operating expenses for Fiscal 2021 were \$65.2 million compared to \$51.5 million in Fiscal 2020. The year-over-year increases in operating expenses were primarily driven by the addition of the cost base of ETC, Sensor Line and VDS as well as by other charges, of which a significant portion represent acquisition-related costs.

Consolidated Adjusted EBITDA for Q4 2021 was \$0.9 million compared to negative Adjusted EBITDA of (\$6.1) million in Q4 2020. Consolidated Adjusted EBITDA for Fiscal 2021 was \$5.0 million compared to \$31.2 million in Fiscal 2020. Consolidated Adjusted EBITDA increased in Q4 due primarily to growth in the ITS businesses and the acquisitions made in that segment during the year. Adjusted EBITDA decreased in Fiscal 2021 primarily due to the significant level of licensing activity at WiLAN in Fiscal 2020. On a segment basis, the ITS business generated Adjusted EBITDA of \$4.1 million in Q4 2021 and \$12.7 million for Fiscal 2021. The Licensing segment had negative Adjusted EBITDA in Q4 2021 of (\$1.5) million and achieved positive Adjusted EBITDA for Fiscal 2021 of \$1.2 million despite the challenging environment.

Cash generated from continuing operations for Q4 2021 was \$0.8 million compared to \$24.1 million in Q4 2020. Cash (used in) generated from continuing operations for Fiscal 2021 was (\$13.3) million compared to \$35.2 million in Fiscal 2020. Cash and cash equivalents and short-term investments were \$72.6 million at December 31, 2021, compared to \$141.3 million at December 31, 2020, with the decrease reflecting cash deployed on the acquisitions made in 2021. Working capital at December 31, 2021, was \$105.1 million compared to \$159.7 million at December 31, 2020. During Q4 2021, on October 27, 2021, Quarterhill completed a \$57.5 million bought-deal public offering of unsecured subordinated convertible debentures which is reflected in the balance sheet as at December 31, 2021.

Conference Call and Webcast

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

Webcast Information

The live audio webcast will be available at:

https://produceredition.webcasts.com/starthere.jsp?ei=1528257&tp_key=1d

Dial-in Information

- To access the call from Canada and U.S., dial 1.888.664.6392 (Toll Free)
- To access the call from other locations, dial 1.416.764.8659 (International)

Replay Information

Webcast replay will be available for 365 days at:

https://produceredition.webcasts.com/starthere.jsp?ei=1528257&tp_key=1d

Telephone replay will be available until 11:59 p.m. Eastern Daylight Time on March 28, 2022 at: 1.888.390.0541 (Toll Free North America) or 1.416.764.8677 (International). The telephone replay requires the passcode 380252.

¹Non-IFRS Financial Measures and Non-IFRS Ratios

Quarterhill uses both IFRS and certain non-IFRS financial measures to assess performance. Non-IFRS financial measures are financial measures disclosed by a company that (a) depict historical or expected future financial performance, financial position or cash flow of a company, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from the composition of the most directly comparable financial measure disclosed in the primary financial statements of the company, (c) are not disclosed in the financial statements of the company and (d) are not a ratio, fraction, percentage or similar representation. Non-IFRS ratios are financial measures disclosed by a company that are in the form of a ratio, fraction, percentage or similar representation that has a non-IFRS financial measure as one or more of its components, and that are not

disclosed in the financial statements of the company.

These non-IFRS financial measures and non-IFRS ratios are not standardized financial measures under IFRS, and, therefore, are unlikely to be comparable to similar financial measures presented by other companies. Management believes these non-IFRS financial measures and non-IFRS ratios provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition, and liquidity using the same measures as management. These non-IFRS financial measures and non-IFRS ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

Adjusted EBITDA - Non-IFRS Financial Measures

We use the non-IFRS financial measure "Adjusted EBITDA" to mean net (loss) income adjusted for (i) income taxes, (ii) finance expense or income; (iii) amortization and impairment of intangibles; (iv) other charges and other on-time items; (v) depreciation of right-of-use assets and property, plant and equipment; (vi) stock-based compensation; (vii) foreign exchange (gain) loss; and (viii) other income which includes equity in earnings from joint ventures, and (ix) dividends received 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 loss and cash flows from operations as determined in accordance with IFRS or as measure of liquidity. The most directly comparable IFRS financial measure is Net (loss) income.

Adjusted EBITDA per share – Non-IFRS ratio

Adjusted EBITDA per share is calculated as Adjusted EBITDA divided by the basic weighted average of common shares. Adjusted EBITDA per share is used by our management and investors to analyze cash generated by Quarterhill on a per share basis. The most comparable IFRS measure is earnings per share.

Supplementary Financial Measures

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company (b) are not disclosed in the financial statement of the company, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios.

Key supplementary measures disclosed are as follows:

Gross margin %

Calculated as gross profit as a percentage of revenue.

Working capital

Calculated as total current assets minus total current liabilities.

About Quarterhill

Quarterhill is a leading provider of tolling and enforcement solutions in the Intelligent Transportation System (ITS) industry, as well as, through its Wi-LAN Inc. subsidiary, a leader in Intellectual Property licensing. Our goal is global leadership in ITS, via organic growth of the Electronic Transaction Consultants, LLC (ETC) and International Road Dynamics, Inc. (IRD) platforms, 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 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/or its business. Other factors include, without limitation, the risks described in Quarterhill's March 20, 2022 annual information form for the year ended December 31, 2021 (the "AIF"). In addition, readers are also urged to review the additional risk factors disclosed in our Management's Discussion and Analysis for our three months and year ended December 31, 2021 and 2020 filed today on 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.

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

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
CONTINUING OPERATIONS				
Revenues				
Licensing	\$ 4,708	\$ 474	\$ 25,722	\$ 78,260
Intelligent Transportation Systems	46,453	17,618	99,973	66,266
	51,161	18,092	125,695	144,526
Direct cost of revenues				
Licensing	5,768	5,338	21,809	46,205
Intelligent Transportation Systems	33,318	11,091	66,451	39,463
	39,086	16,429	88,260	85,668
Gross profit	12,075	1,663	37,435	58,858
Operating expenses				
Depreciation of right-of-use assets	567	241	1,568	979
Depreciation of property, plant and equipment	771	248	1,583	969
Amortization of intangible assets	6,234	4,539	20,228	18,855
Selling, general and administrative expenses	11,097	8,323	33,339	26,868
Research and development expenses	671	468	2,372	2,282
Impairment losses on intangible assets	—	—	—	295
Other charges	2,085	355	6,133	1,227
	21,425	14,174	65,223	51,475
Results from operations	(9,350)	(12,511)	(27,788)	7,383
Finance income	(54)	(45)	(164)	(573)
Finance expense	1,804	92	2,328	459
Foreign exchange gain (loss)	(561)	425	(1,216)	(88)
Other income	(160)	(488)	(2,007)	(1,680)
(Loss) income before taxes	(10,379)	(12,495)	(26,729)	9,265
Current income tax expense	262	368	1,306	2,037
Deferred income tax (recovery) expense	(1,124)	(2,662)	(5,852)	2,800
Income tax (recovery) expense	(862)	(2,294)	(4,546)	4,837
Net (loss) income from continuing operations	(9,517)	(10,201)	(22,183)	4,428
Net income from discontinued operations	—	—	—	14,255
Net (loss) income	\$ (9,517)	\$ (10,201)	\$ (22,183)	\$ 18,683
Other comprehensive loss that may be reclassified subsequently to net (loss) income:				
Foreign currency translation adjustment	(1,030)	(12,537)	(3,437)	(7,355)
Comprehensive (loss) income	\$ (10,547)	\$ (22,738)	\$ (25,620)	\$ 11,328
(Loss) income per share				
From continuing operations	\$ (0.08)	\$ (0.09)	\$ (0.19)	\$ 0.04
From discontinued operations	—	—	—	0.12
(Loss) income per share - Basic	\$ (0.08)	\$ (0.09)	\$ (0.19)	\$ 0.16
From continuing operations	\$ (0.08)	\$ (0.09)	\$ (0.19)	\$ 0.04
From discontinued operations	—	—	—	0.12
(Loss) income per share - Diluted	\$ (0.08)	\$ (0.09)	\$ (0.19)	\$ 0.16

Quarterhill Inc.

Consolidated Statements of Financial Position
(in thousands and in Canadian dollars)

As at	December 31, 2021	December 31, 2020
Current assets		
Cash and cash equivalents	\$ 70,746	\$ 135,700
Short-term investments	1,851	5,550
Restricted short-term investments	3,095	—
Accounts receivable, net	30,176	13,747
Unbilled revenue	35,926	13,549
Income taxes receivable	385	264
Inventories (net of obsolescence)	13,731	9,068
Prepaid expenses and deposits	5,192	8,264
	161,102	186,142
Non-current assets		
Accounts and other long-term receivables	1,450	506
Prepaid expenses and deposits	—	338
Right-of-use assets, net	7,761	3,780
Property, plant and equipment, net	5,694	2,783
Intangible assets, net	151,355	59,261
Investment in joint venture	7,458	6,704
Deferred compensation asset	1,524	—
Deferred income tax assets	37,786	34,346
Goodwill	53,065	16,093
	266,093	123,811
TOTAL ASSETS	\$ 427,195	\$ 309,953
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 42,008	\$ 20,038
Income taxes payable	700	631
Current portion of lease liabilities	2,166	1,012
Current portion of deferred revenue	7,989	4,800
Current portion of long-term debt	3,181	—
	56,044	26,481
Non-current liabilities		
Deferred revenue	2,839	2,573

Long-term lease liabilities	5,626	2,747
Long-term debt	58,968	—
Convertible debentures	45,959	—
Derivative liability	9,441	—
Deferred compensation liability	1,350	—
Deferred income tax liabilities	5,852	6,222
	130,035	11,542
TOTAL LIABILITIES	186,079	38,023
Shareholders' equity		
Capital stock	544,345	547,537
Contributed surplus	49,937	46,250
Accumulated other comprehensive income	144	3,581
Deficit	(353,310)	(325,438)
	241,116	271,930
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 427,195	\$ 309,953

Quarterhill Inc.

Consolidated Statements of Cash Flows
(in thousands and in Canadian Dollars)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Cash generated from (used in) operations				
Net (loss) income from continuing operations	\$ (9,517)	\$ (10,201)	\$ (22,183)	\$ 4,428
Non-cash items				
Stock-based compensation expense (recovery)	571	(571)	1,955	1,015
Depreciation of right-of-use assets	567	241	1,568	979
Interest expense on lease liabilities	—	52	—	223
Depreciation and amortization	7,005	4,787	21,811	19,824
Foreign exchange gain	(561)	(127)	(1,216)	(359)
Equity in earnings from joint venture	(150)	(488)	(1,924)	(1,680)
Gain on disposal of intangible assets	—	(1)	—	(1)
Impairment losses on intangible assets	—	—	—	295
(Gain) loss on disposal of assets	(77)	—	(77)	4
Deferred income tax (recovery) expense	(1,124)	(2,662)	(5,852)	2,800
Embedded derivatives	—	222	54	190
Change in fair value of derivative liability	(92)	—	(92)	—
Changes in non-cash working capital balances	4,172	32,892	(7,384)	7,478
Cash (used in) generated from continuing operations	794	24,144	(13,340)	35,196
Net cash flows attributable to discontinuing operations	—	—	—	24
Net cash (used in) generated from operating activities	794	24,144	(13,340)	35,220
Financing				
Dividends paid	(1,374)	(1,517)	(5,648)	(4,441)
Advances from revolving credit facilities	—	—	12,727	—
Repayment of revolving credit facilities	(12,727)	(3,042)	(12,727)	(3,654)
Net proceeds from long-term debt	—	—	62,926	—
Proceeds from convertible debentures	55,024	—	55,024	—
Payment of lease liabilities	(574)	(243)	(1,659)	(1,103)
Repurchase of shares for cancellation	—	(1,300)	(2,065)	(10,622)
Repayment of long-term debt	(776)	(393)	(776)	(521)
Common shares issued for cash on the exercise of options	181	816	461	830
Common shares issued from performance stock units	—	(24)	—	—
Cash generated from (used in) continuing operations financing activities	39,754	(5,703)	108,263	(19,511)
Net cash flows attributable to discontinuing operations	—	—	—	32
Net cash generated from (used in) financing activities	39,754	(5,703)	108,263	(19,479)
Investing				
Proceeds from disposition of a subsidiary	—	—	—	49,400
Cash sold on disposition of a subsidiary	—	—	—	(1,825)
Proceeds from (purchase of) short-term investments	1,000	—	4,000	(4,054)
Purchase of restricted short-term investments	—	—	(3,025)	—
Proceeds from sale of property, plant and equipment	117	—	117	32
Purchase of property, plant and equipment	(730)	(59)	(1,149)	(1,255)
Acquisition of business, VDS	—	—	(2,780)	—
Acquisition of business, ETC	301	—	(151,168)	—
Dividend received from joint venture	—	477	1,348	477
Purchase of intangibles	(5,182)	(1,281)	(5,434)	(1,336)
Net cash (used in) generated from investing activities	(4,494)	(863)	(158,091)	41,439
Foreign exchange on cash held in foreign currencies	767	(6,008)	(1,786)	(9,350)
Net increase (decrease) in cash and cash equivalents	36,821	11,570	(64,954)	47,830
Cash and cash equivalents, beginning of	33,925	124,130	135,700	87,870
Cash and cash equivalents, end of	\$ 70,746	\$ 135,700	\$ 70,746	\$ 135,700

Quarterhill Inc.

Consolidated Statements of Shareholders' Equity
(in thousands and in Canadian dollars)

	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
January 1, 2020	\$ 570,553	\$ 32,011	\$ 10,936	\$ (338,297)	\$ 275,203
Net income	—	—	—	18,683	18,683
Repurchase of shares for cancellation	(24,054)	13,432	—	—	(10,622)

Other comprehensive loss	—	—	(7,355)	—	(7,355)
Stock-based compensation expense	—	1,015	—	—	1,015
Exercise of options	1,006	(176)	—	—	830
Common shares issued from performance stock units	32	(32)	—	—	—
Dividends declared	—	—	—	(5,824)	(5,824)
December 31, 2020	\$ 547,537	\$ 46,250	\$ 3,581	\$ (325,438)	\$ 271,930
January 1, 2021	\$ 547,537	\$ 46,250	\$ 3,581	\$ (325,438)	\$ 271,930
Net loss	—	—	—	(22,183)	(22,183)
Repurchase of shares for cancellation	(4,027)	1,962	—	—	(2,065)
Other comprehensive loss	—	—	(3,437)	—	(3,437)
Stock-based compensation expense	—	1,955	—	—	1,955
Exercise of stock options	667	(206)	—	—	461
Common shares issued from restricted stock units	156	(12)	—	—	144
Common shares issued from performance stock units	12	(12)	—	—	—
Dividends declared	—	—	—	(5,689)	(5,689)
December 31, 2021	\$ 544,345	\$ 49,937	\$ 144	\$ (353,310)	\$ 241,116

Quarterhill Inc.

Reconciliation of Net loss to Adjusted EBITDA
(in thousands and in Canadian dollars, except share and per share amounts)

	Three months ended December 31,			
	2021		2020	
	\$	Per Share ⁽¹⁾	\$	Per Share
Net loss from continuing operations	\$ (9,517)	\$ (0.08)	\$ (10,201)	\$ (0.09)
Adjusted for:				
Income tax recovery	(862)	(0.01)	(2,294)	(0.02)
Foreign exchange (gain) loss	(561)	—	425	—
Finance expense, net	1,750	0.02	47	—
Other charges	2,085	0.02	355	—
Depreciation and amortization	7,572	0.05	5,028	0.05
Stock based compensation expense	571	0.01	571	0.01
Dividends received from joint venture	—	—	477	—
Other income	(160)	—	(488)	—
Adjusted EBITDA	\$ 878	\$ 0.01	\$ (6,080)	\$ (0.05)

Weighted average number of Common Shares
Basic

113,834,597

114,137,754

	Year ended December 31,			
	2021		2020	
	\$	Per Share	\$	Per Share
Net (loss) income from continuing operations	\$ (22,183)	\$ (0.19)	\$ 4,428	\$ 0.04
Adjusted for:				
Income tax (recovery) expense	(4,546)	(0.04)	4,837	0.04
Foreign exchange gain	(1,216)	(0.01)	(88)	—
Finance expense (income), net	2,164	0.02	(114)	—
Other charges	6,133	0.05	1,227	0.01
Impairment losses on intangible assets	—	—	295	—
Depreciation and amortization	23,379	0.20	20,803	0.18
Stock based compensation expense	1,955	0.02	1,015	0.01
Dividends received from joint venture	1,348	0.01	—	—
Other income	(2,007)	(0.02)	(1,680)	(0.01)
Adjusted EBITDA	\$ 5,027	\$ 0.04	\$ 31,200	\$ 0.27

Weighted average number of Common Shares
Basic

114,013,610

116,939,833

View original content:

<https://www.prnewswire.com/news-releases/quarterhill-announces-fourth-quarter-and-fiscal-2021-financial-results-301506431.html>

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