

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company

Quarterhill Inc. (the "**Company**")
25 King Street West, Suite 1101
Toronto, ON M5L 2A1 Canada

Item 2 – Date of Material Change

December 17, 2021

Item 3 – News Release

The Company disseminated a news release by Canada News Wire on December 17, 2021, a copy of which is attached at **Exhibit "A"** to this Material Change Report (the "**Press Release**").

Item 4 – Summary of Material Change

The Company announced that its Electronic Transaction Consultants, LLC subsidiary had been awarded a contract to be the new electronic toll collection system provider for the Central Texas Regional Mobility Authority.

Item 5 – Full Description of Material Change

On December 17, 2021, the Company announced that its Electronic Transaction Consultants, LLC ("**ETC**") subsidiary had received an award notice to provide electronic toll collection integration and maintenance services to the Central Texas Regional Mobility Authority ("**CTRMA**") in Austin, Texas pursuant to a 6-year contract valued at US\$72,791,680, with two 2-year extension options, all subject to customary terms and conditions.

Over the course of this contract, ETC will deliver system replacements at six existing CTRMA facilities and implement new systems at four future CTRMA facilities.

Additional details are set out in the copy of the Press Release attached at **Exhibit "A"**.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7 – Omitted Information

N/A

Item 8 – Executive Officer

Prashant R. Watchmaker, Senior Vice-President, General Counsel & Corporate Secretary
(613) 688-4331

Item 9 – Date of Report

December 22, 2021

EXHIBIT "A"

Quarterhill Subsidiary, ETC, Awarded Contract to be the New Electronic Toll Collection System Provider for Central Texas Regional Mobility Authority

- ETC selected to implement its advanced riteSuite™ systems as the new electronic toll collection integration and maintenance services provider for the Central Texas Regional Mobility Authority

TORONTO, Dec. 17, 2021 /CNW/ - Quarterhill Inc. ("Quarterhill") (TSX: QTRH) (OTCQX: QTRHF), announces that its wholly-owned subsidiary, Electronic Transaction Consultants, LLC ("ETC"), has received an award notice to provide electronic toll collection integration and maintenance services to the Central Texas Regional Mobility Authority ("CTRMA") in Austin, Texas. The initial term of the contract is six (6) years and has two (2) two-year extension options. The initial six (6) year term is valued at US\$72,791,680, and the contract is subject to customary terms and conditions.

Over the course of the contract, ETC will deliver system replacements at six (6) existing CTRMA facilities and implement brand-new systems at four (4) future CTRMA facilities. ETC's next-generation smart congestion management systems will improve mobility and alleviate traffic on busy Austin-area roads.

For this project, ETC will implement riteSuite™, its modularized suite of standalone natively integrable subsystems that run on this same cloud-based technology platform, including the following products:

- riteView™ – An interactive and customizable suite of Big Data analytics, reporting, and dashboard tools.
- riteVision™ – An advanced vehicle and license plate recognition system built on machine learning technology.
- riteJetStream™ – A multimodal system configuration and transaction processing engine built on big data infrastructure and a modern user interface, with configurable microservices and pricing algorithms.
- riteOSS™ – ETC's upgraded Maintenance Online Management Systems (MOMS) for system monitoring and operational reporting, with advanced functionality, such as smart KPIs and trending for predictive maintenance.
- riteTRAC™ – AI-based continuous automated lane performance and audit system that provides real-time lane performance monitoring and trending for early actionable anomaly detection.

riteSuite™ takes advantage of the power, rich features and flexibility of open-source technologies and the revolutionary design approach attributed to "Big Tech" consumer data companies. Beyond successful system implementation in accordance with CTRMA's objectives today, this also means a digital infrastructure that promotes the sharing and consumption of all data across multiple platforms and services that may be required for future CTRMA digital objectives.

"We look forward to establishing a partnership with ETC and beginning the important work ahead of us," stated CTRMA's Executive Director James Bass. "The Mobility Authority prides itself on delivering best-in-class service, and we are confident ETC will help us exceed those expectations."

"ETC is honored and excited to be selected as CTRMA's technology provider," stated Quarterhill Chief Executive Officer Bret Kidd. "Technology-savvy Austin motorists will expect nothing less than the most advanced systems in the industry and the highest quality of customer service, and ETC is poised to deliver both, in a true partnership with CTRMA."

ETC systems are architected for responsiveness to changing business needs by integrating seamlessly with the latest in open-source technologies and big data infrastructure, for a lean system that will remain technology relevant for years to come.

About Electronic Transaction Consultants, LLC

ETC is a leading U.S. intelligent transportation systems and smart mobility provider, developing and delivering best-in-class solutions for tolling, congestion management, urban mobility, and multimodal transportation needs. ETC's passionate and innovative team has been driving the future of mobility since 1999, with many industry firsts, including all-electronic tolling (AET), dynamic pricing, agency interoperability, hosted mobility solutions and machine learning.

For over two decades, ETC has delivered sophisticated solutions to many of the largest toll authorities in the U.S., including statewide programs, county networks and tolling-specific authorities. ETC's solutions process over two billion transactions annually, totaling over \$3 billion in customer revenues, incorporating the latest in evergreen open-source and SaaS technologies and Big Data architecture through our innovative riteSuite™ products. For more information on our products and services, please visit www.etc.com.

About Quarterhill Inc.

Quarterhill is a growth-oriented company 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 to execute an investment strategy that capitalizes on attractive growth opportunities within ITS - and its adjacent markets - to become a global leader in that industry. 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

About the Central Texas Regional Mobility Authority

The Central Texas Regional Mobility Authority is an independent government agency created in 2002 to improve mobility in Travis and Williamson Counties in Texas. CTRMA defines its objectives as preserving and enhancing the quality of life in Central Texas, engaging with the communities served, and protecting the environment. CTRMA projects span sections of I-290, I-183, I-71, MoPac, and I-45.

Forward-Looking Information

This news release contains forward-looking statements regarding ETC, Quarterhill and their businesses. Forward-looking statements are based on estimates and assumptions made by ETC and/or Quarterhill in light of their experience and perception of historical trends, current conditions, expected future developments and the expected effects of new business strategies, as well as other factors that ETC and/or Quarterhill believe 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 ETC and/or 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 ETC and/or Quarterhill and/or their businesses. Other factors include, without limitation, the risks described in Quarterhill's March 11, 2021 annual information form for the year ended December 31, 2020 (the "AIF"). Copies of the AIF may be obtained at www.sedar.com. ETC and Quarterhill recommend that readers review and consider all of these risk factors and notes that readers should not place undue reliance on any of ETC's forward-looking statements. ETC 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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<https://www.prnewswire.com/news-releases/quarterhill-subsi-dary-etc-awarded-contract-to-be-the-new-electronic-toll-collection-system-provider-for-central-texas-r>

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For further information: For media and investor inquiries, please contact: Dave Mason, Investor Relations, T: 416.247.9652, E: ir@quarterhill.com

CO: Quarterhill Inc.

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