

**Altium**®

# 2021 Annual General Meeting

9:30am 18 November 2021

Virtual  
Sydney, San Diego

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## Agenda

1

Welcome & Procedural Matters

2

Chair to Open Voting & Questions Submission

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Chairman Address

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Management Presentation

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General Business & Proxy Results

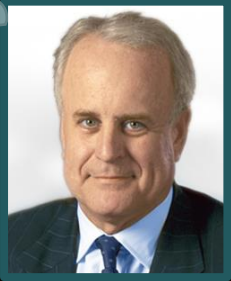
6

Questions

7

Voting Closed

# ALTIUM BOARD



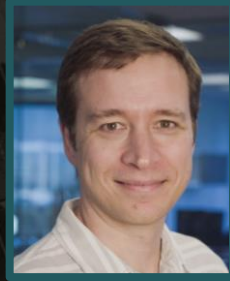
**SAMUEL WEISS**  
Non-Executive Chairman



**ARAM MIRKAZEMI**  
Chief Executive Officer  
Executive Director



**RAELENE MURPHY**  
Non-Executive Director  
Chair Audit & Risk Committee



**SERGIY KOSTYNSKY**  
President  
Executive Director



**LYNN MICKLEBURGH**  
Non-Executive Director  
Chair Human Resources  
Committee

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# Altium Executives and External Partners



**HENRY POTTS**  
Chief Sales Officer



**KIM BESHARATI**  
Chief of Staff,  
Investor Relations



**TED PAWELA**  
Chief Ecosystem Officer



**DAVID READ**  
Chief Operating Officer



**LEIGH GAWNE**  
Chief Technology Officer



**DAVID FRIEDLANDER**  
Chairman, Australia  
King & Wood Mallesons



**LOUISE KING**  
Partner PwC



**WILL HEATH**  
Partner King & Wood  
Mallesons

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# Procedural Matters



When the question function is available, the messaging tab will appear at the top of the screen.



To send in a question, click in the 'Ask a question' box, type your question and press the send arrow.



Your question will be sent immediately for review.

✓ Received



123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



**Moderator**

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**.

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link.

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue.

A screenshot of the LUMI mobile application interface. At the top, the phone number '123-456-789' is displayed. Below it are three tabs: 'HOME' (with a house icon), 'MESSAGING' (with a speech bubble icon), and 'VOTING' (with a ballot icon). The 'HOME' tab is active. The main content area is titled 'Instructions' and contains three sections: 'Watching the Webcast', 'Asking Text Questions', and 'Asking Audio Questions'. The 'Asking Audio Questions' section includes a link labeled 'HERE' in orange text, which is highlighted by an orange arrow pointing from the text in the second callout box. Below this are sections for 'Voting' and 'Voting' instructions. A vertical scrollbar is visible on the right side of the content area.

# Online Attendees – Voting Process



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When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen.



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour.

For	Against	Abstain
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There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed.



123-456-789

HOME MESSAGING VOTING

**Poll Open**  
You have voted on 0 of 2 items

**Resolution 1**  
Select a choice.

For  Against  Abstain

CANCEL

**Question 2**  
Select a choice.

Yes  No  Unsure



# Voting & Online Question Submission

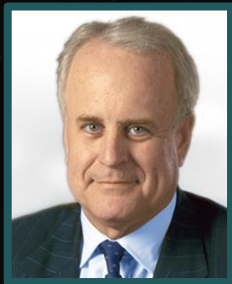
## NOW OPEN

- Apologies
- Quorum
- Proxies
- Notice of Meeting
- Minutes

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# Chairman's Address



**SAMUEL WEISS**  
Non-Executive Chairman

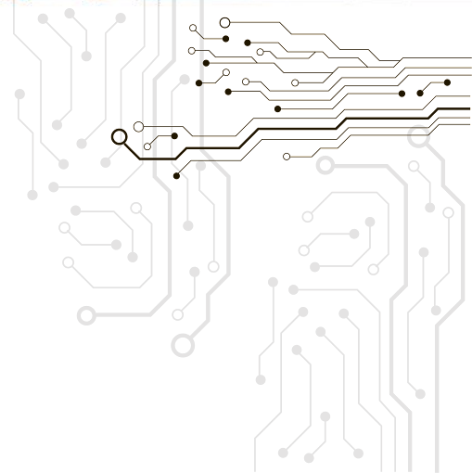


# Uniqueness of Altium Driving Value Creation



- Altium is a rare company and a genuine global corporation with users that operate in virtually all countries
- Expansiveness of our business extends to our strategic vision
  - We seek to transform the electronics industry through our cloud platform Altium 365
  - Altium 365 is the platform for all software engineering disciplines to collaborate to design and build electronics for manufactured products
- We are beginning a program of Board renewal and expansion

***To achieve this vision, we are transforming ourselves in much the same way as we did in 2012 when we focused the Company exclusively on PCB design software***



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- FY21 was *a year like no other* at Altium as we undertook business model and organizational changes at the height of the global pandemic to set ourselves for our next phase of growth -
  - We pivoted to the cloud
  - We introduced term-based licenses
  - We separated our sales into high-volume and high-value
- Despite all this, and being an acquisition target, we returned to strong growth of 16% revenue in the second half
  - Annual recurring revenue grew by 29% and our recurring revenue to 65%
  - Adoption of Altium 365 accelerated
  - Our China and Octopart businesses delivered record performances

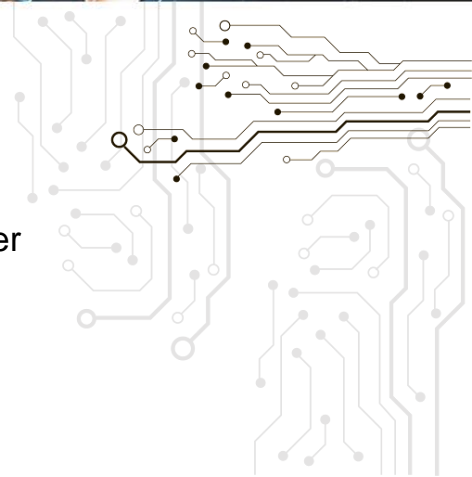
***A strong finish to FY21 laid the foundation for a winning performance in FY22***

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# Altium Commands Industry Leading Multiples



- Altium sits at the heart of the digital engineering ecosystem as the increasingly dominant provider of electronic design tools
- Altium Designer is the most widespread professional PCB design tool used by over 100,000 engineers worldwide
- Altium 365 is the world's first digital platform for the design and the realization of electronics hardware
  - Altium 365 now has 17,300 active users and 7,300 active accounts
  - 15% of seats are on cloud subscription and 40% in transition and 13% of accounts have moved to the cloud with a further 34% of accounts in transition



***Altium's strong performance and long-term potential to disrupt the global electronics industry is recognized by the global engineering industry and is delivering industry leading multiples***

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# FY22 Focus for Dominance and Industry Transformation



- Accelerate adoption of Altium 365 and Nexar ecosystem
- Scale enterprise sales through strategic partnerships to expand TAM within the PCB market
- Roll-out our Digital Sales Platform with the first US Digital Hub and take our transactional sales global for expanded reach
- Expand Octopart TAM with its integration into Nexar
- Grow licence compliance in China and, in time, recurring revenue through *Altium 365 China*
- Launch Altimade and lay the foundation for smart manufacturing with high-profit margin

***Altium's two engines of growth of CAD software and a Cloud platform are picking up a gear and powering performance***

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# Director Fee Pool



- For the past six years we have not increased Directors' Fees or the Director Fee Pool
- Over the next two years, we intend to increase the size of the Altium Board to seven
- We will seek next generation, mainly US-based, directors who have experience and capability to assist Altium to create the global platform for electronics manufacturing
- Compensation for these new Directors will be benchmarked against US standards, rather than Australian ones

***Altium intends to bring next generation Directors with renowned industry experience to support its ambition to create a global platform for electronics manufacturing***

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- A strong first four months of the fiscal 2022 year across the entire Altium Group
  - Term-based licenses, subscription revenue, renewal rates all growing well for core PCB
  - Octopart is out-performing with favorable industry tailwinds
  - China and Nexus are performing well
  - Altium 365 cloud adoption is accelerating

• Altium is on-track to achieve its guided range for the full year fiscal 2022:

- **Revenue** of US\$209 million to US\$217million (16-20% growth)
- Underlying **EBITDA margin** of 34-36%
- **ARR growth** of 23-27%

***Altium will review its market guidance in February, and based on business momentum, is confident that it is not likely to be at the low end of the guided range***

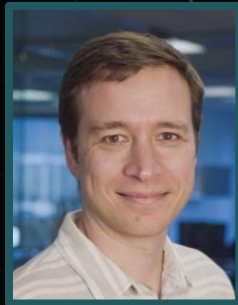




# Management Presentation



**ARAM MIRKAZEMI**  
Chief Executive Officer  
Executive Director



**SERGIY KOSTYNSKY**  
President  
Executive Director

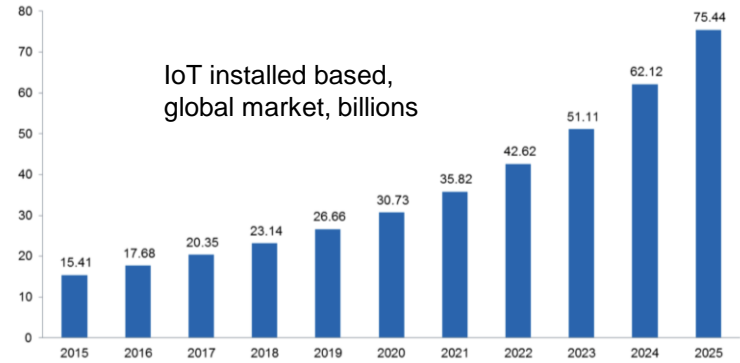


**LEIGH GAWNE**  
Chief Technology Officer

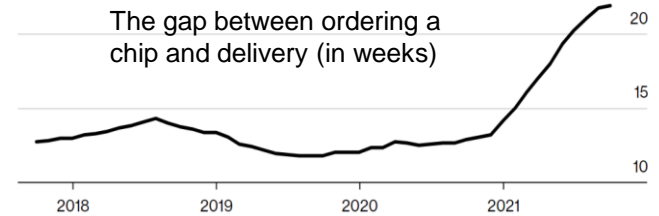
# The Trends That Are Driving Altium's Growth



- It's estimated that the number of active IoT devices will surpass 25.4 billion in 2030.
- Every second, 127 devices hook up to the internet for the first time.
- IoT solutions have the potential to generate \$4-11 trillion in economic value by 2025.
- It's estimated that global IoT spending will total \$15 trillion in the six-year period between 2019 and 2025.
- COVID-19 drives further investments in the IoT enterprise sector
- At present, only 0.06% of devices that could be connected to the Internet actually are.



Source: "IoT platforms: enabling the Internet of Things" IHS Technology, March 2016



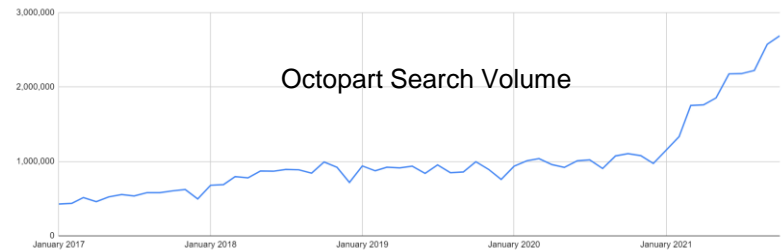
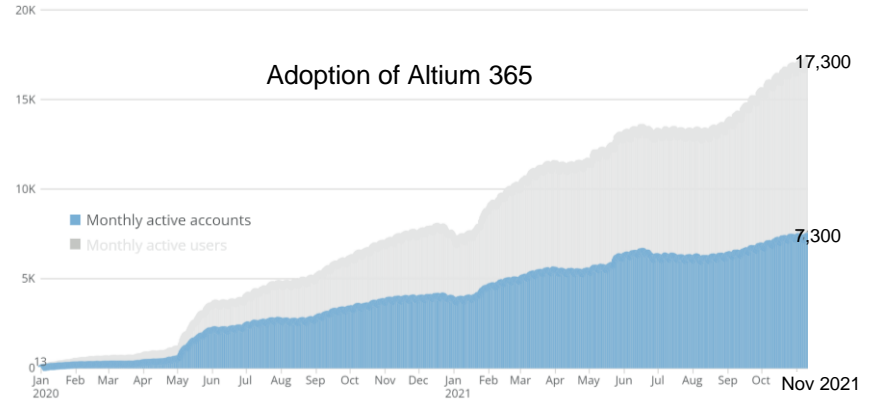
Source: Bloomberg 26 October 2021, Susquehanna Financial Group

**Electronics hardware currently accounts for around 30% of the IoT total market value**

# Altium Delivering Strong Performance



- The adoption of Altium 365 has exceeded expectations with over 17,300 active users (up from 12,800 active users as reported in August) and over 7,300 active accounts (up from 6,000 active accounts as reported in August).
- Altium has 15% of its seats on cloud subscription and 40% are in transition. 13% of accounts have moved to the cloud with a further 34% of accounts in transition.
- Octopart grew by a record 42% in fiscal 2021 and has continued to grow strongly in the first four months of fiscal 2022.
- Demand for our PCB design software has returned and is growing.

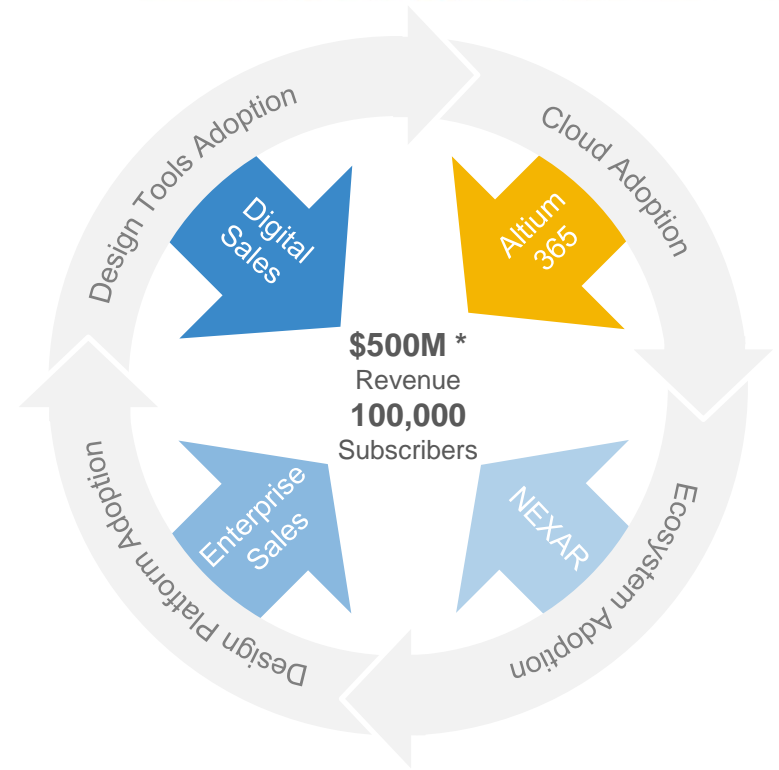


***Our confidence in our first half performance and our full year performance is very high***

# Four Flywheels for Dominance and Transformation



- *Cloud Adoption* - rapid development and adoption of Altium to further increase the gap with competitors and to lay the foundation for industry transformation.
- *Design Tools Adoption* - reinvention of transactional sales on a digital platform to take our transactional sales global.
- *Design Platform Adoption* - productization of solution selling to large scale adoption to grow a significant footprint in the high end of the PCB market.
- *Ecosystem Adoption* - building a network effect through industry partners and communities to unify and to bring transformation.



***During the last twelve months Altium spun up four flywheels to power our next phase of growth and widen the gap with our competition***

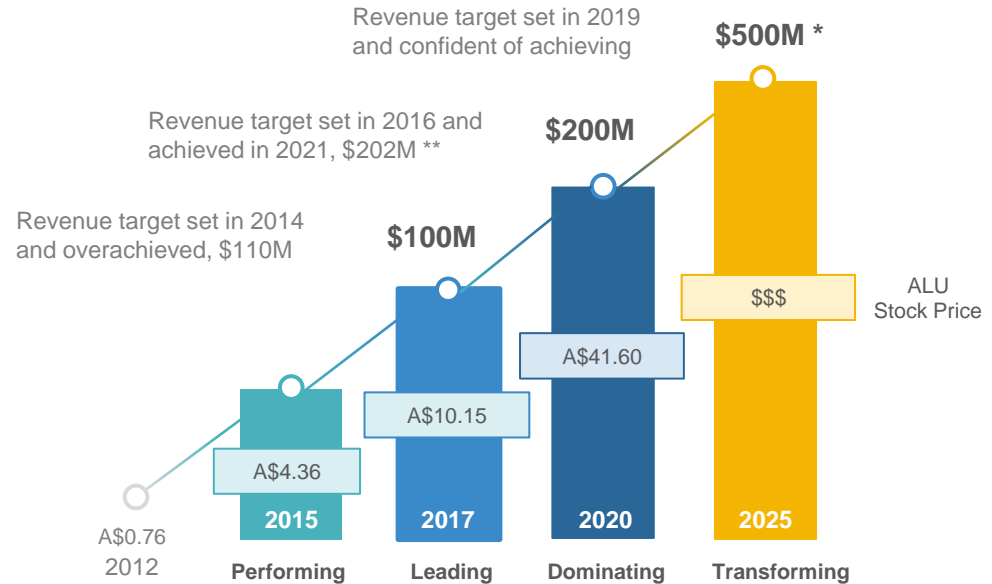
\* The target revenue of \$500M may include 10-20% from future acquisitions.

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# Outstanding Value-Creation Track-Record



- A history of setting and achieving aggressive long-term financial targets.
- Eight consecutive years of double-digit revenue growth and expanding margin.
- Focused execution delivering strong operating leverage.
- Transparency for stakeholders and all-in reporting (no capitalization of R&D expenses).
- Value creation at every stage from leadership to dominance to industry transformation.



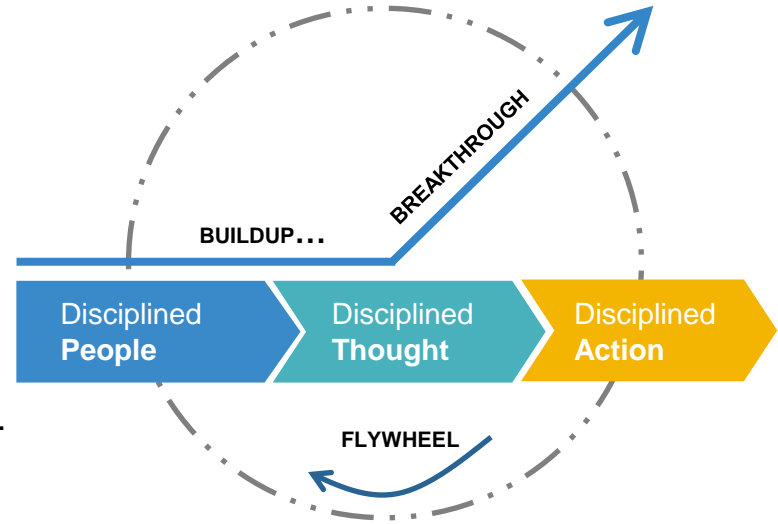
***Delivering value to shareholders is a hallmark of Altium***

\* The target revenue of \$500M may include 10-20% from future acquisitions.

\*\* \$202M includes the annualized revenue of TASKING in FY21 based on the achievement of earnout.



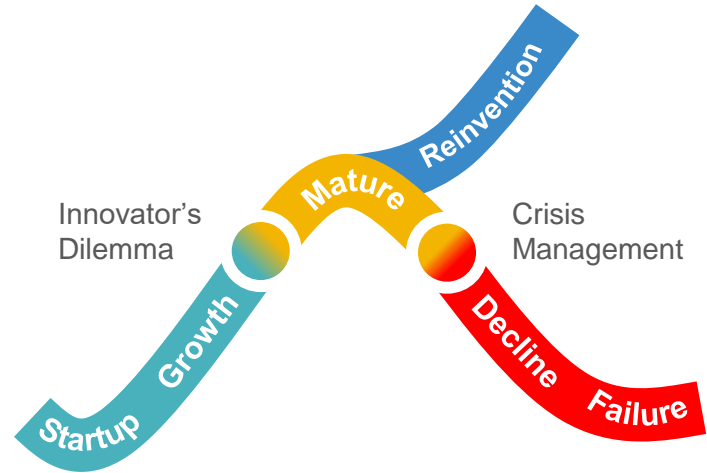
- Focus on the hard part first to deal with potential impediments then go full speed.
  - Eg: Altium 365 - attractiveness for customers, partners (performant, reliable, scalable) for a flywheel effect.
  - Eg: Bringing enterprise sales capability - perfect the recipe first then scale.
- Avoid the tyranny of "Or" and find a way to execute seemingly incompatible requirements at the same time.
  - Eg: regular Altium Designer software releases while undertaking a major overhaul with a 64-bit engine.



***Altium innovates and disrupts aggressively while consistently delivering a strong financial performance more typical of a blue-chip company***



- Agile execution while staying true to strategy.
- Value creation at every step to go after long-term goals without sacrificing short-term performance.
- Ability to grow and change without putting on unnecessary weight.
- Operational fluidity in resource deployment.
- Eg: Nexar introduction from concept to becoming a business unit at Altium.



***Altium's unique ability to explore and innovate in a nimble way brings together its deep entrepreneurial roots with its demonstrated disciplined execution***



- Spectrum of Customer Base - Altium supports everyone from small to large customers.
- Singular Focus - Altium has a relentless focus and commitment to PCB design.
- Competitors are Walled Gardens.
- Future is Cloud - The Cloud is enabling best of breed tools.



***Customers come to us because we do PCB and nothing else - day in, day out, it is an all-consuming affair for us***

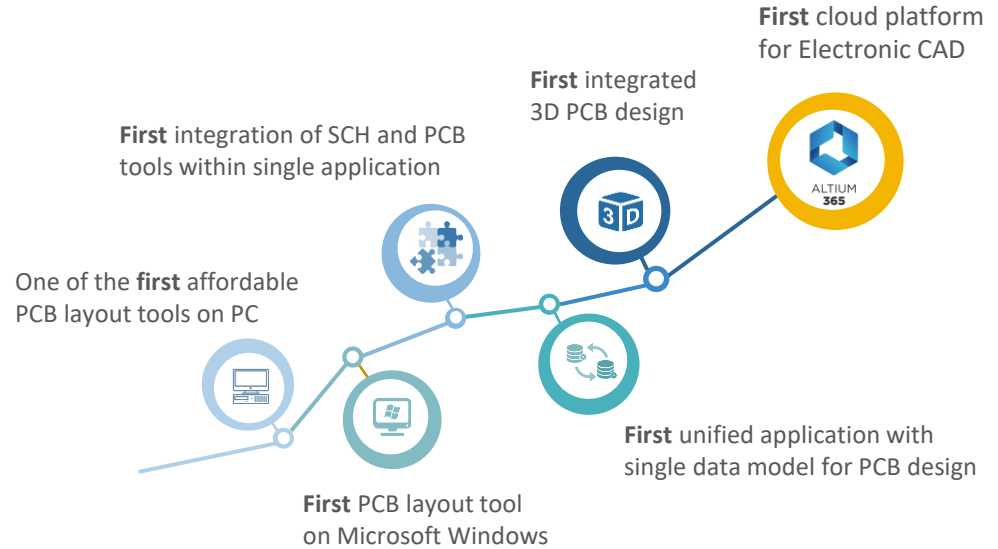
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# World's Most Popular PCB Design Software



- Altium Designer is the most widespread professional PCB design tool used by over 100,000 engineers worldwide.
- The user experience differentiates Altium.
- Altium the only truly open platform in professional PCB design software industry.
- Altium 365 and Nexar work together to help PCB designers connect to the wider engineering ecosystem.

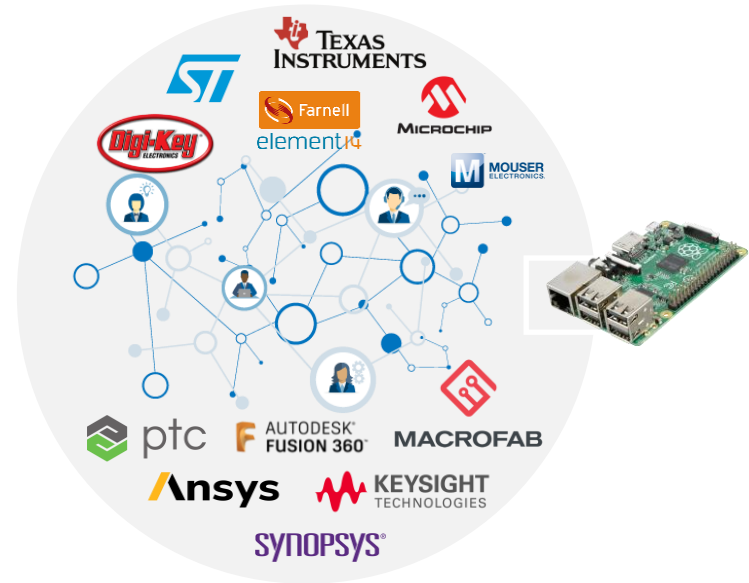


***Over 35 years of innovation and development focused on a truly unified design environment makes Altium software the most widely used PCB design solution***

# Altium 365 Leveraging the Network Effect



- Growing and diverse customer base with multiple personas coming onto the Altium 365 platform.
- Deep engineering collaboration on Altium 365 platform is the key to create the network effect.
- Broadening personas, extending value proposition to all stakeholders in the value chain.
- 35% user growth on Altium 365 in the last three months.

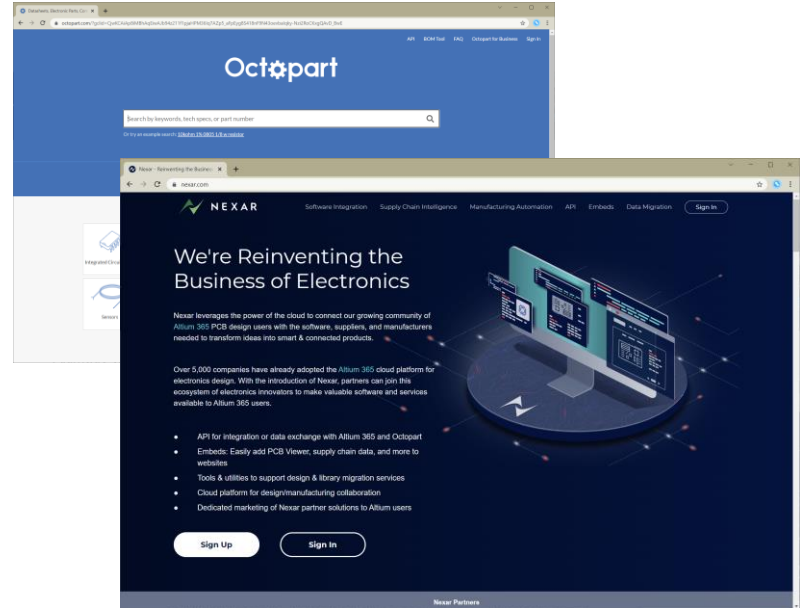


***Altium 365 is the key platform for Altium to unify and to transform the global electronics industry***

# Growing Octopart Reach Through Nexar



- Nexar API unifies our API technologies and offers unrivalled capability for the industry.
- 600 million API calls were made in the last 12 months.
- For this calendar year, API call growth is up 121%.
- API revenue growth up 71% for first quarter of FY22.
- Altimade to be launched in second half of fiscal 2022 to bring cloud-based manufacturing onto Altium 365 and deliver an experience that has never been seen before in electronics.



***Nexar combines Octopart and Altium 365 to deliver the most advanced digital platform for electronics hardware design***

- Introduction of enterprise wide strategic and execution planning.
- 10 strategic campaigns for spinning up four flywheels to dominate and transform the electronics industry.
- Bringing digital transformation to our business systems with a deep connection with Altium 365 and Nexar ecosystem.
- Bringing next-level capabilities to enhance senior management.



**Netflix organizational changes undertaken during the last twelve months have prepared Altium for the next phase of growth to dominate and transform the global electronics industry**

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# GENERAL BUSINESS

Presentation of the Financial Report, Director's Report and the Auditor's Report for the Company for the financial year ended 30 June 2021.

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## Item 2 – Remuneration Report

To receive, consider and to adopt the Remuneration Report of the Company for the year ended 30 June 2021, which forms part of the Director's Report.

The Remuneration Report of the Company for the financial year ended 30 June 2021 be adopted.

### PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
2. REMUNERATION REPORT	For	73,149,099	90.36	55.64
	Against	7,596,528	9.38	5.78
	Open-Usable	210,419	0.26	0.16
	Board	82,781	0.1	0.06
	Non-Board	127,638	0.16	0.1
	Abstain	98,320	N/A	0.07
	Excluded	9,942,746	N/A	7.56

## Item 3 – Election of Samuel Weiss as a Director



**Samuel Weiss**  
Non-Executive Chairman

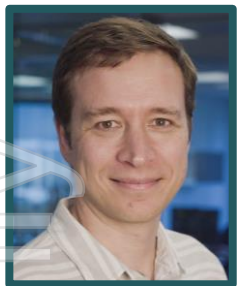
To consider and, if thought fit, to pass the following resolution as an ordinary resolution: **Samuel Weiss** a director retiring from office in accordance with Articles 7.2—7.4 of the Constitution of the Company, is re-elected as a director of the Company.

### PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
3. RE-ELECT SAMUEL WEISS	For	83,373,886	91.71	63.42
	Against	7,325,108	8.06	5.57
	Open-Usable	213,167	0.23	0.16
	Board	86,029	0.09	0.07
	Non-Board	127,138	0.14	0.1
	Abstain	84,951	N/A	0.06
	Excluded	0	N/A	0

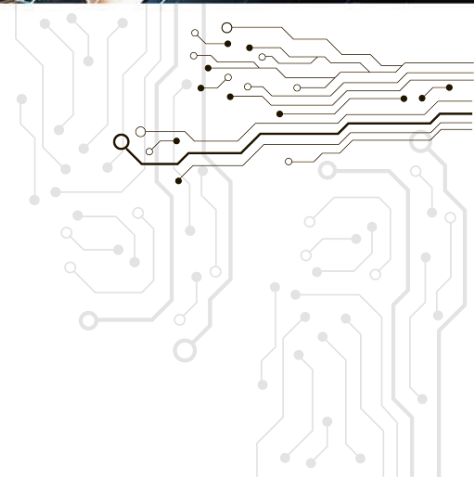


# Item 4 – Election of Sergiy Kostynsky as a Director



**Sergiy Kostynsky**  
President  
Executive Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution: **Sergiy Kostynsky** a director retiring from office in accordance with Articles 7.2—7.4 of the Constitution of the Company, is re-elected as a director of the Company.



## PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
4. RE-ELECT SERGIY KOSTYNSKY	For	84,747,938	93.22	64.46
	Against	5,950,338	6.55	4.53
	Open-Usable	210,735	0.23	0.16
	Board	83,097	0.09	0.06
	Non-Board	127,638	0.14	0.1
	Abstain	88,101	N/A	0.07
	Excluded	0	N/A	0

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# Special Business

# Item 5 – Renewal of Proportional Takeover Provision Special Resolution



To consider and, if thought fit, to pass the following resolution as a special resolution: That articles 3.17 to 3.18 inclusive of the Company's Constitution requiring prior shareholder approval for a proportional takeover of the Company, be re-adopted for a further period of three years from the date of this Meeting in accordance with Section 648G of the Corporations Act.

## PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
5. PROPORTIONAL TAKEOVER	For	84,867,319	93.36	64.55
	Against	5,818,128	6.4	4.43
	Open-Usable	219,332	0.24	0.17
	Board	91,694	0.1	0.07
	Non-Board	127,638	0.14	0.1
	Abstain	92,333	N/A	0.07
	Excluded	0	N/A	0

## Item 6 – Increase in Non-Executive Directors’ Fee Pool



To consider and, if thought fit, to pass the following resolution as an ordinary resolution: For the purposes of Australian Securities Exchange (ASX) Listing Rule 10.17, Article 7.11 of the Company’s Constitution and all other purposes, the total aggregate amount of directors’ fees payable to all of Altium’s non-executive directors is increased by **\$750,000** per annum, from the existing **\$1,500,000** per annum (approved by shareholders at the 2015 AGM) to a maximum sum not exceeding **\$2,250,000** per annum.

### PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
6. INCREASE NON-EXEC FEES	For	57,057,475	70.5	43.4
	Against	23,507,788	29.04	17.88
	Open-Usable	369,445	0.46	0.28
	Board	243,402	0.3	0.19
	Non-Board	126,043	0.16	0.1
	Abstain	544,001	N/A	0.41
	Excluded	9,518,403	N/A	7.24

# Item 7 – Amendment of the Constitution Special Resolution

To consider and, if thought fit, to pass the following resolution as a special resolution: That, in accordance with section 136(2) of the Corporations Act, the amendments to the Company constitution as described in Explanatory Notes, be approved with effect from the end of the Meeting.

## PROXY RESULTS

Resolution	Vote type	Voted	%	% of all securities
7. AMEND CONSTITUTION	For	54,484,526	59.96	41.44
	Against	36,173,554	39.81	27.51
	Open-Usable	209,666	0.23	0.16
	Board	82,028	0.09	0.06
	Non-Board	127,638	0.14	0.1
	Abstain	129,366	N/A	0.1
	Excluded	0	N/A	0

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# QUESTIONS

**Voting & Online Question Submission**

**CLOSED**

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**Altium**®

# 2021 Annual General Meeting

9:30am 18 November 2021

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