

ALTium LIMITED

ACN 009 568 772

Level 6, Tower B
The Zenith
821 Pacific Highway
Chatswood NSW 2067
Australia

12 July 2024

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Altium Limited Scheme Meeting 12 July 2024

The address to be given by the Chairman of Altium Limited to the Scheme Meeting and accompanying slides are attached for lodgement.

Yours sincerely



Authorising Officer

Sam Weiss
Chairman
Altium Limited
Email: sam.weiss@altium.com

Altium Limited ASX Announcement

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Sam Weiss
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Altium Limited

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Scheme Meeting - Altium Chairman's address

Friday, 12 July 2024

Welcome

Good morning, ladies and gentlemen, and thank you for joining us at this meeting of Altium Limited. My name is Sam Weiss, and I am the Chairman of your Board of Directors and the Chairman of this meeting. With the time now having just passed 9.00am, and having been advised by Ms. Tanya Thomas, our Company Secretary, that a quorum is present, I declare this meeting open.

The purpose of this Scheme Meeting is for Altium Shareholders to vote on Renesas' proposed acquisition of all of the shares in Altium by way of a scheme of arrangement.

Before commenting on the Scheme specifically, I want to acknowledge the enduring history of Altium. The transaction is a testament to the success of Altium and the quality of our business. Behind our success is a team of people, whose passion, drive to innovate and dedication over many years, created an exceptional business.

Some are here today:

Tanya Thomas and Nick Elvin, Company Secretariat
Natasha Davidson, General Counsel
Michelle Spiller and Brenda Schoeninger of our Finance Team and their colleagues
Sylvia Wiggins, Non-Executive Director
Lauren Williams, Non-Executive Director
Susan Stack, Office Manager

Altium has been on a long journey since it was started in Hobart forty years ago; it is, in fact, an old company in Software terms. That journey has taken us across oceans and continents to where we are today as an ASX 100 Company that is the leading provider of PCB design software with operations in all global markets. Over time there have been tremendous highs and almost desperate lows. Yet no one of us ever once lost sight of the vision to bring the best software at reasonable prices to any engineer, anywhere, that wanted to use it. Today that vision has increased in its ambition to want to both serve and transform the global electronics industry through superior software and an all-encompassing platform for the design and manufacturing of Printed Circuit Boards. If shareholders approve the Scheme today and the Scheme is approved by the Supreme Court of New South Wales at the second Court hearing, the vision will be fulfilled in partnership with Renesas as our two companies use a modern platform to combine hardware and software and improve the world through the power of electronics.

Before we begin, I would like to remind the audience that we have amongst us two individuals who were here at our IPO a quarter of a century ago: David Friedlander, then a young partner of Mallesons Stephen Jaques (as it then was) and now Chairman of the firm and Susan Stack, then the Office Manager for Altium and now the all-important keeper of the corporate flame.

I remind everyone that this is a Shareholders' meeting and only holders of Altium Shares, their attorneys, proxies or authorised corporate representatives, are entitled to vote and speak.

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Procedural Matters

I would now like to summarise briefly the voting procedures that will apply to this Scheme Meeting.

As outlined in the Notice of Scheme Meeting, the Scheme Resolution to be voted on by Shareholders at today's Scheme Meeting will be decided by a poll. The proposed Scheme Resolution is set out in the Notice of Scheme Meeting contained in the Scheme Booklet.

Computershare, the Company's Share Registry, will be the returning officer for the purpose of the poll.

If you are entitled to vote, you will have been issued with a BLUE polling card when registering for the meeting. If there is any person present who believes they are entitled to vote but does not have a BLUE polling card, would you please raise your hand and a Computershare staff member will assist you.

On the reverse of your BLUE polling card is your voting paper which details the Scheme Resolution that is being put to this poll. Shareholders, and proxies with open votes, will need to mark a box beside the Scheme Resolution to indicate how you wish to cast the vote—for, against, or abstain.

Please ensure that you print your name where indicated and sign the voting paper.

When you have finished filling in your voting paper, please lodge it in a ballot box to ensure your votes are counted. Your vote cannot be counted unless it is lodged.

If you are a proxy and only have directed votes as shown on the summary of votes attached to your BLUE polling card, you do not need to do anything other than to sign and place that polling card in a ballot box.

If you are a non-voting shareholder, you will have been issued with a YELLOW polling card when registering for the meeting.

If you are a visitor, you will have been issued with a WHITE polling card when registering for the meeting.

Only attendees with a BLUE or YELLOW polling card will be able to ask questions in the designated shareholder questions section of this meeting.

If you require any assistance, any member of the Computershare team or Altium executive can assist. Please raise your hand if you require assistance.

I now declare the poll OPEN. You may vote at any time from now until I close the poll. I will provide a warning before closing the poll.

I confirm that I hold a number of open proxies as Chair of the meeting. As set out in the Notice of Scheme Meeting, I will vote all undirected proxies in favour of the Scheme Resolution.

After the meeting closes, your votes will be counted by our registry Computershare, and the results will be announced on the ASX as soon as possible.

Scheme overview

I would now like to say a few words about the proposed Scheme. Details of the Scheme are outlined in the Scheme Booklet dated 5 June 2024, which was made available to Shareholders in accordance with the orders of the Supreme Court of New South Wales.

If the Scheme is approved and implemented, Renesas will acquire all of the Altium Shares on issue, and Altium Shareholders will receive A\$68.50 per share in cash for each Altium Share held on the Scheme Record Date reduced by the value of any future approved dividend declared or paid. The Altium Board does not plan to declare or pay a special dividend in connection with the Scheme.

The Scheme Consideration implies an equity value of approximately A\$9.1 billion and enterprise value of A\$8.8 billion for Altium. The Scheme Consideration represents a 34% premium to Altium's closing share price of A\$51.26 per share on 14 February 2024, being the last trading day prior the announcement of the Scheme, and a 31% premium to Altium's pre-announcement all-time high closing share price of A\$52.34 per share on 12 February 2024.

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Shareholders should also note that the current trading price of Altium Shares is affected by the proposed Scheme and that the share price may not necessarily trade at these levels in the absence of the proposed Scheme.

Reasons why you might vote for or against the Scheme

The Altium Board has identified various reasons why Altium Shareholders may want to vote in favour of the Scheme and various potential reasons why they may want to vote against the Scheme.

Your Directors consider that the reasons to vote in favour of the Scheme outweigh the potential reasons to vote against the Scheme.

These reasons are set out in detail in the Scheme Booklet and are summarised on the slide. For more detail, you can refer to Section 1 in the Scheme Booklet.

In making our recommendation, the Altium Board carefully evaluated the Scheme Consideration against the company's medium-term and long-term growth prospects and market opportunities and has had regard to our overarching responsibility to act in the best interests of Altium Shareholders.

Altium Board recommendation

The Altium Board recommends unanimously that Altium Shareholders vote in favour of the Scheme and continues to believe the Scheme is in Altium Shareholders' best interests.

The Altium Board confirms that as at the time of this meeting, no Superior Proposal has emerged and we are not aware of any Superior Proposal likely to emerge.

Each Altium Director is voting, or procuring the voting of, any Altium Shares held or controlled by them as at the time of this meeting in favour of the Scheme by voting in favour of the Scheme Resolution.

When considering the Altium Board's recommendation, Altium Shareholders should take into account the matters set out in the Scheme Booklet, including the interests of Altium Directors in the outcome of the Scheme in section 8 of the Scheme Booklet.

Independent Expert's conclusion

The Altium Board commissioned Kroll Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme.

The Independent Expert has concluded that the Scheme is in the best interests of Altium Shareholders, in the absence of a superior proposal. Kroll has assessed the value of Altium on a controlling interest basis in the range of A\$62.37 to A\$70.27 per Altium Share. The Scheme Consideration of A\$68.50 falls within Kroll's assessed value range for an Altium Share.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure A of the Scheme Booklet.

Status of conditions precedent

Implementation of the Scheme remains subject to the following conditions precedent:

- approval of the Scheme by Altium Shareholders at this meeting;
- approval of the Scheme by the Supreme Court of New South Wales at the Second Court Hearing; and
- no material adverse change to Altium or prescribed event.

All regulatory approvals that are conditions precedent have now been satisfied.

As at the time of today's meeting, the Altium Board is not aware of any circumstances which would cause any of the outstanding conditions not to be satisfied or waived.

If the outstanding conditions precedent (including Shareholder and Court approval) are not satisfied, the Scheme will not proceed and Altium will continue as a standalone entity listed on the ASX.

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Timetable if the Scheme is approved by the Requisite Majority of Altium Shareholders

If the Scheme is approved by Altium Shareholders today, the key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the timetable.

The Second Court Hearing to approve the Scheme is scheduled for 18 July 2024. If the Scheme is approved by the Court, lodgement of the Court orders with ASIC and suspension from trading on the ASX of Altium Shares are expected to occur on 19 July 2024.

The Scheme is then expected to be implemented on 1 August 2024, and it is on this date that the Scheme Consideration will be provided to Altium Shareholders in respect of shares held on the Record Date for the Scheme, which is expected to be 7.00pm on 25 July 2024 (Sydney time).

These dates are subject to the satisfaction of the outstanding conditions precedent. Any changes to these dates or times will be announced to the ASX.

Scheme Resolution

I will now move to the formal business of this Scheme Meeting.

The sole item of business is the Scheme Resolution, which is set out in the Notice of Scheme Meeting included in the Scheme Booklet.

Altium Shareholders are asked to consider and, if thought fit, pass the Scheme Resolution, which is shown on the screen. The Scheme Resolution is:

“That, in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth):

- (a) the scheme of arrangement proposed between Altium and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet accompanying the notice of scheme meeting, is approved (with or without any alterations or conditions agreed to in writing between Altium and Renesas Bidco or any alterations or conditions required by the Court to which Altium and Renesas Bidco or Renesas agree); and
- (b) the directors of Altium are authorised, subject to the terms of the scheme implementation agreement to agree to such alterations or conditions as are thought fit by the Court and, subject to approval of the scheme by the Court, the board of directors of Altium is authorised to implement the Scheme with any such modifications or conditions”.

For the proposed Scheme to be binding the Scheme Resolution must be agreed, in addition to the satisfaction or waiver (in the case of certain conditions precedent that are capable of being waived) of all other conditions precedent, approved by the requisite majorities of:

- at least 75% of the total number of votes cast on the Scheme Resolution to approve the Scheme by Altium Shareholders who are present and voting either in person or by proxy, attorney, or in the case of corporate Shareholders, by corporate representative at the Scheme Meeting; and
- more than 50% in number, unless the Court orders otherwise, of eligible Altium Shareholders present and voting at the Scheme Meeting.

Valid proxies received on the Scheme Resolution

I refer you to the screen which shows the summary of proxies received.

The valid proxy votes received in respect of the Scheme Resolution are now displayed on screen and are as follows:

- 76,934,292 votes in favour of the Scheme Resolution from 1,862 Altium Shareholders;
- 263,670 undirected votes on the Scheme Resolution from 176 Altium Shareholders, which I will vote in favour of the Scheme Resolution; and
- 150,729 votes against the Scheme Resolution from 113 Altium Shareholders.

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24 Altium Shareholders (representing 75,497 votes) who submitted valid proxies abstained from voting on the Scheme Resolution and are accordingly not counted when determining whether the Scheme Resolution has been approved by the Requisite Majorities of Altium Shareholders.

Questions

I would now like to open the meeting to questions in relation to the proposed Scheme. I will address any questions received from Altium Shareholders and their attorneys, proxies and authorised corporate representatives regarding the Scheme or the Scheme Resolution. I will endeavour to answer your questions straight away. However, I may refer a question to another representative or take a question on notice if necessary.

If you wish to ask a question, please raise your BLUE or YELLOW polling card. I will call out your number at which time please stand and introduce yourself to the meeting by providing your full name, before proceeding to ask the question.

Are there any questions from Shareholders here today in relation to the proposed Scheme?

Voting

As there are no further questions, I now ask Altium Shareholders to cast their vote in relation to the Scheme Resolution if they have not already done so, as voting will be closing shortly. A representative of Computershare will now collect your voting cards.

Would you please indicate by raising your hand if you require more time to complete your voting paper?

Thank you. I understand all polling cards have now been lodged and the poll is now closed.

Thank you

Finally, I would like to take this opportunity to thank all our Shareholders for their support of the Company over the past twenty-five years.

Our Board of Directors, Aram Mirkazemi, Sergiy Kostinsky, Mike Hawker, Sylvia Wiggins and Lauren Willimas, and all of those who have served before them; they have given this Company their all and I shall be forever grateful to them and in their debt for it. Our Executive Leadership Team Aram Mirkazemi, Sergiy Kostinsky, Kim Besharati, Richard Leon, and Dave Read are the engine that drives the success of Altium. Each and every one of our employees around the world; your commitment has enabled us to get to where we are today.

To our customers around the world, thank you. We are grateful for your use of Altium in your work, and we are impressed by the remarkable products you create with Altium Designer, Octopart, and Altium365.

For Altium, it began with the idea and the dream of Nick Martin and David Warren. If shareholders approve the Scheme today and the Scheme is approved by the Supreme Court of New South Wales at the second Court hearing, this will mark the end of the beginning. The future will belong to the dreams and aspirations of the combination of Renesas and Altium. Over the past few years we have gotten to know Renesas and its people first as a customer and, if the Scheme is approved and implemented, as our partner. Their vision for the electronics industry is perhaps even larger than our own and should the Scheme be approved and implemented, we will wish their inspirational CEO, Hideotoshi Shibata, and all of the Renesas team good fortune in the years ahead as they and we collaborate to change the future of electronic system design and lifecycle management.

The results of this meeting will be released through the ASX as soon as available and will also be displayed on the Altium website.

This now concludes the official business of this meeting. I now declare the Scheme Meeting CLOSED for all purposes.

Please note that terms not defined in this document have the meaning given in the Scheme Booklet dated 5 June 2024.

ENDS



Scheme Meeting

Sydney, 12 July 2024



Sam Weiss

Non-Executive Chairman

Procedural Matters

Note: When considering the statements in this presentation made regarding the Scheme, Altium Shareholders should take into account the matters set out in the Scheme Booklet, including the reasons to vote for and against the Scheme and the interests of Altium Directors in the outcome of the Scheme (as set out in section 8 of the Scheme Booklet).



- On 15 February 2024, Altium and Renesas announced that they had entered into a Scheme Implementation Agreement under which Renesas agreed to acquire or procure the acquisition of 100% of the issued shares in Altium by way of a scheme of arrangement (the Scheme).
- If the Scheme is implemented, Altium Shareholders will receive A\$68.50 per share in cash for each Altium Share held (Scheme Consideration).
- The Scheme Consideration implies an equity value of approximately A\$9.1 billion and enterprise value of A\$8.8 billion for Altium.
- The Scheme Consideration represents a 34% premium to Altium's closing share price of A\$51.26 per share on 14 February 2024 (being the last trading day prior the announcement of the Scheme), and a 31% premium to Altium's pre-announcement all-time high closing share price of A\$52.34 per share on 12 February 2024 (being the highest closing price prior to announcement of the Scheme).

Reasons why you might vote for or against the Scheme



Reasons to vote in favour of the Scheme

- ✓ The Independent Expert has concluded the Scheme is in the best interests of Altium Shareholders
- ✓ Opportunity to realise certain value for your Altium Shares now for 100% cash consideration
- ✓ Significant premium to pre-announcement trading
- ✓ The multiples compare favourably to similar transactions in the software sector
- ✓ You will no longer be subject to risks and uncertainties associated with the Altium business, as well as external economic and general market risks as they apply to holding Altium Shares
- ✓ The Altium Share price may fall if the Scheme does not proceed
- ✓ No Superior Proposal has been received
- ✓ No brokerage

Note: These reasons are discussed in more detail in Section 1 of the Scheme Booklet.

Reasons to vote against the Scheme

- ✗ You may disagree with the recommendation of the Altium Board of Directors and the conclusion of the Independent Expert
- ✗ You may prefer to participate in the future financial performance of the Altium business
- ✗ You may wish to maintain your current investment profile
- ✗ You may consider there is a possibility that a Superior Proposal could emerge in the foreseeable future
- ✗ The tax consequences of the Scheme may not suit your current financial position



- The Altium Board recommends unanimously that Altium Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Altium Shareholders.
- Subject to these same qualifications, all Altium Directors (who in aggregate currently hold or control 13,839,948 Altium Shares) intend to vote all the Altium Shares they hold or control in favour of the Scheme.
- In reaching their recommendation, the Altium Directors have carefully evaluated the Scheme Consideration against the company's medium-term and long-term growth prospects and market opportunities.

Note: When considering the Altium Board's recommendation and the Independent Expert's opinion, Altium Shareholders should take into account the matters set out in the Scheme Booklet, including the reasons to vote for and against the Scheme and the interests of Altium Directors in the outcome of the Scheme (as set out in section 8 of the Scheme Booklet).

Independent Expert's conclusion



- The Independent Expert, Kroll Australia Pty Ltd, has concluded that the Scheme is in the best interests of Altium Shareholders, in the absence of a Superior Proposal.
- The Independent Expert has assessed the value of a Altium Share on a controlling interest basis to be in the range of A\$62.37 to A\$70.27.
- The Scheme Consideration of A\$68.50 falls within Kroll's assessed value range for an Altium Share.

Note: When considering the Altium Board's recommendation and the Independent Expert's opinion, Altium Shareholders should take into account the matters set out in the Scheme Booklet, including the reasons to vote for and against the Scheme and the interests of Altium Directors in the outcome of the Scheme (as set out in section 8 of the Scheme Booklet).



Implementation of the Scheme remains subject to satisfaction of certain conditions precedent, between the date of the Scheme Implementation Agreement and 8.00am on the Second Court Hearing on 18 July including:

- Approval of the Scheme by Altium Shareholders at this meeting;
- Approval of the Scheme by the Supreme Court of New South Wales at the Second Court Hearing; and
- No material adverse change to Altium or prescribed event.

All regulatory approvals that are conditions precedent have now been satisfied.

Timetable if the Scheme is approved by the Requisite Majority of Altium Shareholders



18 July 2024	Second Court Hearing for approval of the Scheme
19 July 2024	Effective Date Court order is lodged with ASIC and Scheme becomes Effective Expected last day of trading in Altium Shares – Altium intends to apply to ASX for Altium Shares to be suspended from official quotation on the ASX from close of trading
7.00pm on 25 July 2024 (Sydney time)	Record Date (for determining entitlement to receive the Scheme Consideration under the Scheme)
1 August 2024	Implementation Date Implementation of the Scheme Payment of the Scheme Consideration Transfer of Scheme Shares to Renesas Bidco

Note: All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities. Any changes to the above timetable (which may include an earlier or later Second Court Hearing) will be announced through the ASX. Refer to the Scheme Booklet for further details.



To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

“That, in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth):

(a) the scheme of arrangement proposed between Altium and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet accompanying the notice of scheme meeting, is approved (with or without any alterations or conditions agreed to in writing between Altium and Renesas Bidco or any alterations or conditions required by the Court to which Altium and Renesas Bidco or Renesas agree); and

(b) the directors of Altium are authorised, subject to the terms of the scheme implementation agreement to agree to such alterations or conditions as are thought fit by the Court and, subject to approval of the scheme by the Court, the board of directors of Altium is authorised to implement the Scheme with any such modifications or conditions”.

Valid proxies received on the Scheme Resolution



Proxy vote direction	Number of Proxy Votes Cast	% of Proxy Votes Cast ³	Number of Altium Shareholders voting by proxy	% of Altium Shareholders voting by proxy ³
For	76,934,292	99.46%	1,862	86.56%
Against	150,729	0.19%	113	5.25%
Open ¹	263,670	0.34%	176	8.18%
Total	77,348,691	100.00%	2,151	100.00%
Abstain ²	75,497	n/a	24	n/a
Requisite Majorities for Scheme Resolution to be passed		At least 75%	More than 50%	

Note: 1. Open proxies in favour of the Chair will be voted in favour of the resolution.

2. Votes relating to an Altium Shareholder who abstains from voting are not counted in determining the requisite majorities.

3. These figures have been rounded to two decimal places. As a result, the stated totals may not add up to one hundred percent.

Questions

Thank you



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Financial data

All dollar values are in Australian dollars (\$AUD) unless otherwise presented.

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