

## 1. Company details

Name of entity:	Altium Limited
ACN:	009 568 772
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

## 2. Results for announcement to the market

				DEC 2021 US\$'000	DEC 2020 US\$'000
<b>Continuing operations</b>					
Revenues from ordinary activities	up	27.8%	to	102,202	79,971
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	up	28.9%	to	34,801	27,005
Earnings Before Interest and Tax (EBIT)	up	38.2%	to	28,974	20,959
Profit after income tax expense (PAT)	up	37.7%	to	22,872	16,616
<b>Discontinued operations</b>					
Profit after income tax expense (PAT)				(143)	3,093
Profit from ordinary activities after tax attributable to the owners of Altium Limited	up	15.3%	to	22,729	19,709
Profit for the half-year attributable to the owners of Altium Limited	up	15.3%	to	22,729	19,709

### Dividends

On 30 August 2021, the Directors declared a final dividend of AU 21 cents per share for the year ended 30 June 2021. The dividend was paid on 28 September 2021 and amounted to US\$20.1 million.

The directors have declared a fully franked (30%) interim dividend of AU 21 cents per share (2020: AU 19 cents) for the half-year ended 31 December 2021. The dividend will be paid on 22 March 2022 based on a record date of 8 March 2022. This amounts to a total dividend of US\$19.9 million based on the total number of shares outstanding.

### Comments

The profit for the Group after providing for income tax amounted to US\$22,729,000 (31 December 2020: US\$19,709,000).

## 3. Net tangible assets

	DEC 2021 US CENTS	DEC 2020 US CENTS
Net tangible assets per ordinary security	163.88	106.12

Net tangible assets per ordinary security in the comparative period includes balances related to the divested TASKING business.

## 4. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

## 5. Attachments

*Details of attachments (if any):*

The Interim Report of Altium Limited for the half-year ended 31 December 2021 is attached.

## 6. Signed



Aram Mirkazemi  
Director and Chief Executive Officer

Sydney

Date: 21 February 2022

**Altium**®

HALF-YEAR

# FINANCIAL REPORT

ALTIUM LIMITED / ACN 009 568 772

31 DECEMBER 2021



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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Altium Limited (referred to hereafter as the 'Group' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

## Directors

The following persons were directors of Altium Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

NON-EXECUTIVE CHAIRMAN

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**Samuel  
Weiss**

CHIEF EXECUTIVE OFFICER

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**Aram  
Mirkazemi**

EXECUTIVE DIRECTOR

---

**Sergiy  
Kostynsky**

NON-EXECUTIVE DIRECTOR

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**Raelene  
Murphy**

NON-EXECUTIVE DIRECTOR

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**Lynn  
Mickleburgh**

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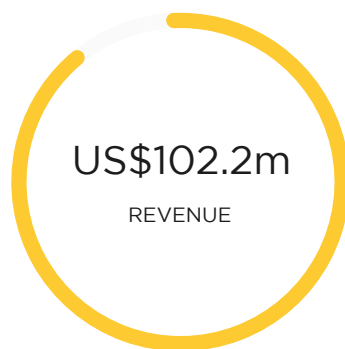
## Principal activities

During the financial half-year the principal continuing activities of the Group consisted of the provision and sales of computer software for the design of electronic products. There were no significant changes in the nature of these activities during the half-year.

# Review of Operations

<p>OVERVIEW</p>	<p>FINANCIAL PERFORMANCE</p>	<p>BUSINESS UNITS</p>	<p>PRODUCTS AND TECHNOLOGY</p>
<p>STRATEGY</p>	<p>OUTLOOK</p>		

## Overview



Altium achieved strong revenue growth of 28% to US\$102.2 million for the half year fiscal 2022. Both reported and underlying EBITDA margin was 34.1% for the half, 11.4% higher than the underlying EBITDA margin of 30.6% for the comparative period in the half year prior.

Recurring revenue grew to 74% for the first half compared with 65% in the same period last year. Strong Annual Recurring Revenue (ARR) growth of 43% for the half, compared with first half last year, was supported by the PCB business growth and Octopart outperformance. This positive result was achieved while our business model transitions from perpetual to term-based and from on-premise cloud; both of these changes are gaining momentum.

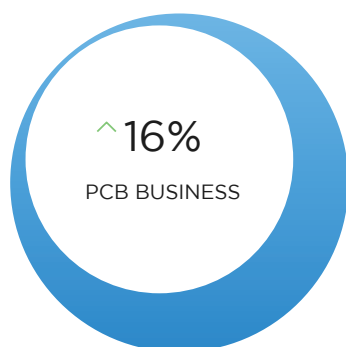
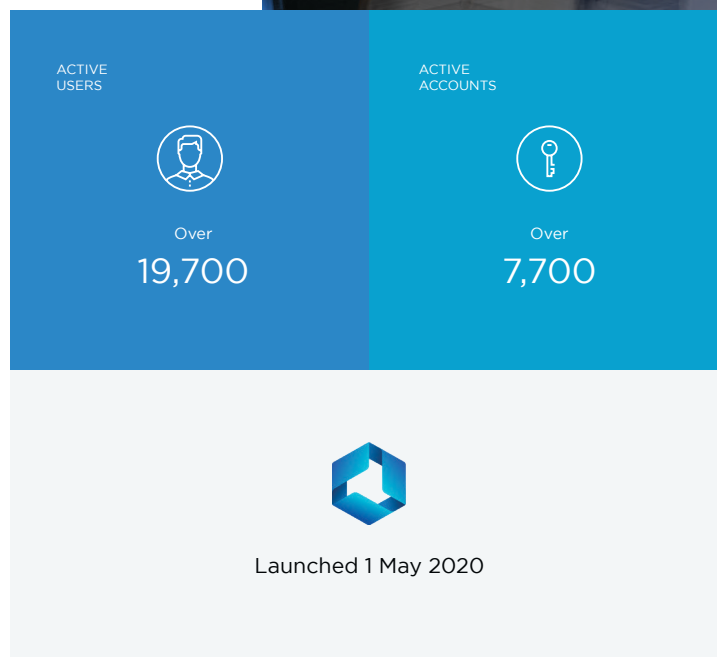


## Altium Designer Dominance

Altium Designer is the most widespread professional PCB design tool used by over 100,000 engineers worldwide.

# Altium 365 Adoption

The world's first digital platform for design and realization of electronics hardware is gaining strong early adoption.



As adoption of our cloud platform Altium 365 reduces churn in subscribers (with our 97% renewal rate on the cloud), the Group is on track to achieve its target of 95% recurring revenue, ex-China and developing countries by 2025.

Octopart, now tightly integrated into Altium 365 delivered a record performance for the half, growing revenue by 105% to US\$22.2 million, as it benefits from tailwinds from the global electronic parts shortage.

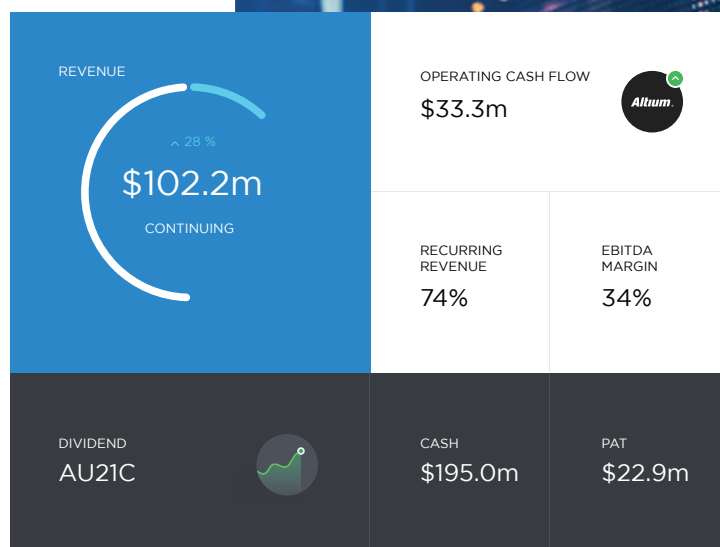
Momentum has returned to Altium's core PCB business, which grew by 16% for the half. In addition, the adoption of Altium 365 has accelerated with over 19,700 monthly active users (up 29% since August) and over 7,700 monthly active accounts (up 54% since August). A total of 15% of Altium seats on subscription have fully moved to the cloud with a further 45% in transition.

This adoption has created strong interest in our Nexar platform, our ecosystem for industry partners to access Altium 365.



# Financial Performance

Altium is the fastest growing EDA company in the world with 8 consecutive years of double-digit growth (prior to COVID) and expanding margins.



## Key Financial Results - Continuing Operations

	CONSOLIDATED		
	31 DECEMBER 2021 US\$'000	31 DECEMBER 2020 US\$'000	CHANGE %
Revenue	102,202	79,971 <sup>1</sup>	28%
Operating expenses (excluding depreciation, amortisation & interest)	67,401	52,966	27%
EBITDA	34,801	27,005 <sup>2</sup>	29%
EBITDA margin	34.1%	33.8%	
Underlying EBITDA margin	34.1%	30.6% <sup>3</sup>	
Profit before income tax	29,015	20,698	40%
Income tax expense	6,143	4,082	50%
Profit after income tax	22,872	16,616	38%
EPS cents	17.41	12.67	37%

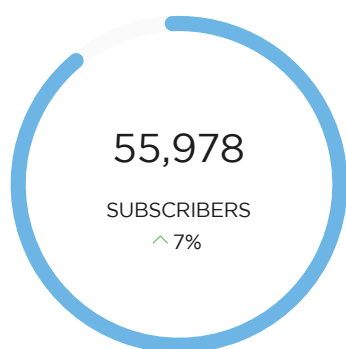
<sup>1</sup> 1H FY21 TASKING revenue of US\$9.6 million excluded for comparative.

<sup>2</sup> 1H FY21 TASKING EBITDA of US\$3.6 million excluded for comparative.

<sup>3</sup> Underlying EBITDA excludes the re-measurement of contingent consideration and other one-off expenses.

# Revenue

	CONSOLIDATED		
	31 DECEMBER 2021 US\$'000	31 DECEMBER 2020 US\$'000	CHANGE %
Board and Systems (Altium Designer, CircuitStudio & NEXUS)	79,165	68,160	16%
Americas	26,517	23,290	14%
EMEA	26,829	21,829	23%
China	11,295	10,639	6%
Rest of World	7,501	6,354	18%
NEXUS	7,023	6,048	16%
Octopart	22,162	10,800	105%
Manufacturing	875	1,011	(13%)
Revenue - continuing operations	102,202	79,971	28%



The record growth for Octopart for the half was underpinned by increased search activity for integrated circuits caused by the ongoing shortage in the semiconductor industry which is expected to continue through 2022. During the half, Octopart experienced 70% growth in weekly active users to close to 195,000 compared with the first half of fiscal 2021. Offer clicks were up by 148% compared with the first half of fiscal 2021 to almost 15 million.

Growth in the Octopart API, which is being rebranded as Nexar API, bodes well for future monetization opportunities for our cloud platform.

Altium's core PCB business grew by 16% for the half to US\$79.2 million. Double-digit revenue growth was achieved in all regions, except China, which felt the temporary impact of regional COVID lockdowns. Altium's Digital Sales and Enterprise Sales are both performing strongly, with revenue from NEXUS up 16% and revenue from Altium Designer up

by 15% for the first half. Altium is leveraging its Digital Sales platform to drive volume and to expand reach. Pricing levels are at an all-time high, with discounting at their lowest levels in many years (less than 10%).

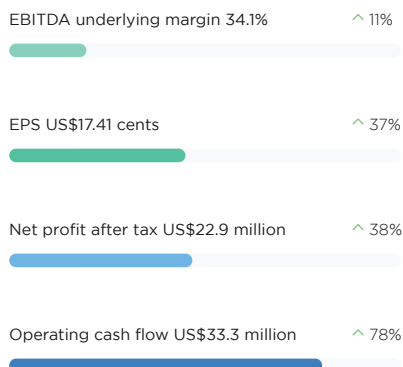
The rate of change from perpetual license to term based increased during the half. This is positive for our future recurring revenue. Term-based licences grew by 132% to comprise almost 30% of all new licences sold.

Altium subscription business was solid for the half, with subscriptions up 3% since 30 June 2021 and up 7% over a twelve-month period to reach over 55,978 subscriptions.

NEXUS returned to strong growth of 16% for the half to US\$7.0 million. NEXUS on cloud and on premise capabilities are the focus for strategic partnerships with other software engineering firms to expand Altium's share of the higher end of the market.

# Earnings

## Actual results



Altium achieved a solid EBITDA margin for the half of 34.1%. There were no one-off adjustments to EBITDA during the half with both reported and underlying margin of 34.1%. This is a significant increase on the underlying EBITDA margin of 30.6% the same time last year.

Profit before tax and profit after tax increased for the half by 40% and 38% respectively. Depreciation and amortisation expense was slightly lower period over period, which when combined with higher EBITDA drove Profit before tax higher.

Expenses during the half increased by 27% to \$67.4 million. Statutory operating expenses grew by 24.1% or US\$14.2 million for the half compared with the same period one year earlier.

Operating cash flow was up by 78% to US\$33.3 million in the first half of fiscal 2022. This was due to the increase in cash receipts from customers and the decrease in net cash taxes paid.

EPS increased by 37% to 17.41 cents reflecting strong revenue growth coupled with judicious management of operating expenses and investment in the business.



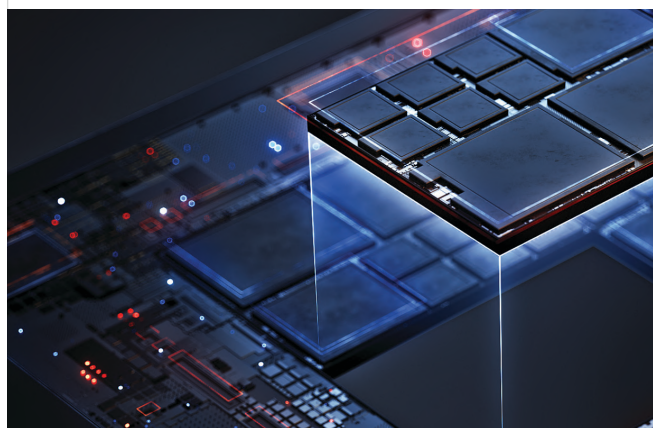


# Business Units

Altium operates two unique and complementary business units:

## Board and Systems (BSD)

This is Altium's traditional CAD software business which provides PCB design software solutions and indirectly monetizes Altium 365 by enhancing the value of the subscription associated with PCB design tools.



## Nexar

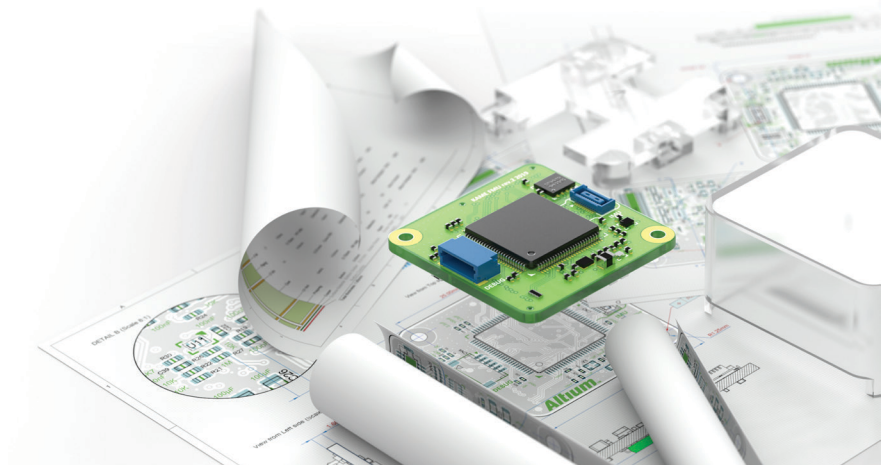
This is a new business unit which provides professionals and industry partners access to the vast ecosystem of electronic design and manufacturing users and customers and, in the process, directly monetizes their use of Altium 365. Nexar includes Octopart, and manufacturing (Altitude).

The separation of CAD software from Altium's emerging Cloud business provides the Group with two complementary engines of growth, CAD software for dominance and Altium 365 cloud platform for transformation and four flywheels to increase the rate of growth: cloud adoption, ecosystem adoption, design tools adoption and design platform adoption.

Nexar, an ecosystem for the direct monetization of Altium 365 was set up to enable industry partners to benefit from Altium's growing community of electronic engineers. Nexar is rapidly gaining momentum. To date, Nexar has signed up 29 industry partners to participate in our electronics industry ecosystem in just over 12 months and we are in discussions with another 14 partners.

The Altitude App on Altium 365 was launched last month at AltiumLive. It utilizes MacroFab to manufacture PCB boards through its virtual 75 factories across the US. Altitude is the electronic industry's first "design with manufacturing" application. Available to the Altium 365 user community, it enables customers to request instant quotes and place orders to produce their PCB assembly without leaving the design environment. This represents the first significant step towards the digital transformation of the electronics industry. It will bring unprecedented scalability to the design to manufacturing process and has set the Group on a path that makes it possible to have a differentiated user experience more widely available to Altium customers.

# Products and Technology



## Digital Sales and Design Tool Flywheel

### ALTIUM DESIGNER



Altium Designer continues to go from strength to strength as the world's number one PCB design tool. The release of Altium Designer 22 at the end of December saw us deliver over 240 customer driven improvements and ideas, more than in any other recent release. Our investment in high-speed routing delivers big productivity improvements for highly complex designs, making Altium Designer more powerful than ever.

Our shift to monthly releases means customers get access to new capabilities and enhancements faster than ever before; this has been made possible by investment in processes and tooling in our R&D teams. We are producing an ever-increasing amount of content in the form of webinars, videos, and solution pages, driving significant in-app engagement that is highly valued by customers.

Integration with Altium 365 is broader and deeper, with the introduction of Design Reuse blocks, a significant productivity and collaboration enhancer, and the new task system with Kanban boards, which were extremely well received by customers. Investment into future technologies including 3D structural electronics will cause significant jumps in capabilities; engagement with early-stage partners shows promising results, with Altium Designer now in a class of its own in this nascent area.

As supply chain issues plague the electronics industry, it is more important than ever to have line of sight across the supply chain, and the years of investment that we have made in this domain are paying off in a big way, enabling our customers to deal with unprecedented change and disruption through Altium Designer capabilities such as ActiveBOM and Manufacturer Part Search.

## Professional Sales and Design Platform Flywheel

### NEXUS



NEXUS achieved some significant product milestones over the last few months. NEXUS is now available to customers via Altium 365, meaning our design system for agile enterprise is easier than ever for customers to purchase and deploy. In addition, NEXUS is now integrated with Aras PLM.

Internally we continue to invest in our ability to support the needs of enterprise customers and are establishing a dedicated enterprise engineering team that will strengthen our ability to engage with customers and increase the scale of our enterprise operations.

## Altium 365 and Cloud Adoption Flywheel

ALTUM 365



Altium 365 is in a league of its own as the world's only electronic design and realization platform, something our competition so far has been unable to respond to in any meaningful way. Adoption continues to accelerate, with the beginning of February seeing us hit in excess of 19,700 monthly active users and 7,700 monthly active accounts as companies continue to embrace the platform as part of their day-to-day business operations. Subscription renewal rates amongst adopted accounts are extremely high at 97%.

We continue to deploy new and enhance existing capabilities across the platform, with the release of Schematic Compare, an all-new ActiveBOM web experience, Library Health, Layer Stack, and Draftsman some of the highlights.

There is growing diversity in the personas that come to and join the Altium 365 platform, with offerings that are attracting mechanical engineers, software engineers, project managers and procurement professionals, paving the way for the development of more targeted offerings in these domains, each with revenue growth potential.

We have obtained SOC2 Type 1 certification for the platform and are moving forward with SOC2 Type 2, giving our customers peace of mind in the knowledge that we are compliant with some of the most rigorous security standards in the industry. In combination with our newly launched Trust Center, customers now have a single, convenient place where they can obtain answers to their security questions.

In addition to all these significant advancements, the recent launch of Altimade has enabled us to take the first step to bring the business of engineering to the platform where customers are able to pay online for manufacturing their designs without leaving the Altium ecosystem.

## Nexar and Ecosystem Adoption Flywheel

NEXAR



Calendar year 2021 saw Nexar move from a concept to delivery of a fully-fledged API that unites design, supply, and manufacturing for electronics. Nexar API adoption has grown significantly, with annual contracts with large enterprise customers continuing to drive strong revenue growth. Our strategic partnership with MacroFab has the Nexar API as a technological underpinning, which creates a blueprint for future partner integration in the manufacturing domain and is the first commercially significant realization of the digital bridge concept.

Digital bridges into the domains of MCAD, PLM and simulation are making solid progress and our strategic partnerships with industry leaders create opportunities for collaboration that enhance productivity.

In addition to creating the digital backbone for the electronics ecosystem that unites design, supply, and manufacturing, Nexar is edging closer to going to market with the first "data as a product" offerings. These offerings will see actionable insights and intelligence delivered across the spectrum of businesses in the industry where better visibility into design, manufacture and supply activity is critical to decision making and improving customer bottom lines, especially important in the current supply chain climate.





## OCTOPART

### Octopart

The demand for Octopart services has grown at an extremely strong rate, with tailwinds due to the current supply chain volatility demonstrating the vital role that Octopart plays in helping people deal with and mitigate present industry challenges. Revenue is up 105% year on year, underpinned by investment into technology infrastructure and services to ensure we are able to rapidly scale up to support the large increases in demand.

Imminent updates to both Octopart.com and the Nexar API will make available to customers ten years of more than 300 billion data points of historical information as well as new stock predictor algorithms that will empower customers to be more informed than ever when it comes to making key supply chain decisions. The launch of the third-party CAD marketplace will make our offering even stronger and reaffirm Octopart's position as not only an industry leader, but an industry pioneer.

## ALTIMADE



Altimade has progressed well over the last six months. After working with our first Alpha customers at the beginning of the fiscal year, we have digested all their feedback and delivered a completely new end-to-end experience that is deeply integrated with both Altium Designer and Altium 365 and which is unparalleled in the industry today.

Our strategic partnership with MacroFab in combination with Nexar provides the foundation for an experience that we believe is going to provide fundamental change for companies taking the step from virtual design to physical product.

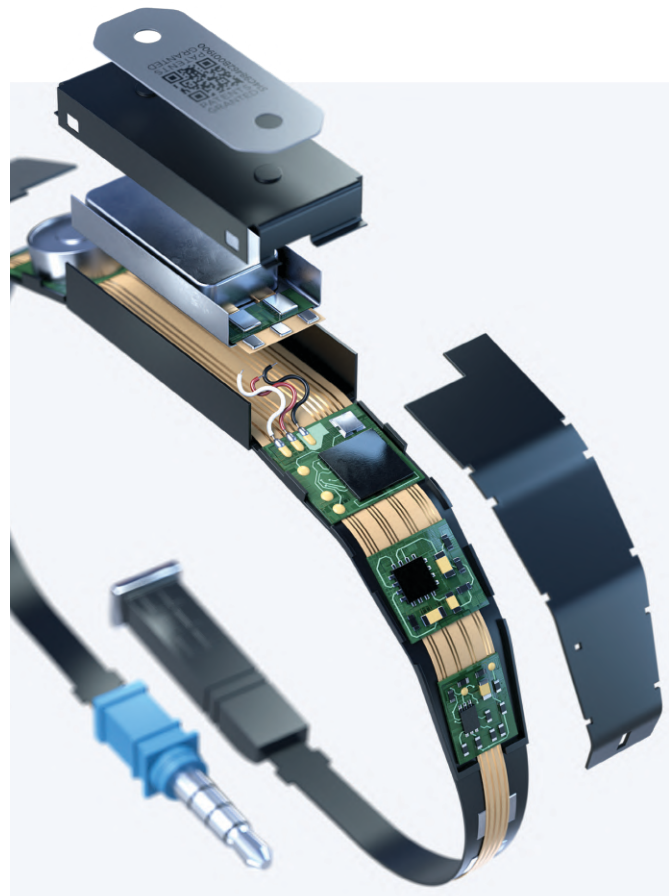
Altimade was announced at AltiumLive last month with over one hundred customers immediately reaching out to engage with the service. While this is a complex endeavor with many moving parts that involves the breadth and depth of Altium R&D, we are confident that this year will see some significant milestones hit for Altimade and will reinforce the value proposition of the Altium 365 platform.

## Strategy

The IOT comprises billions of devices, each connected to the internet and through it to other devices and each device has a printed circuit board which powers its electronic functionality and each PCB not only needs to be designed using a tool such as Altium Designer, but it needs to be manufactured through a cumbersome process that involves the purchase of individual components, shipping them to a board fabrication company and the building there of the final PCB. Today this process is managed manually and with the extensive use of spreadsheets, site visits and emails.

Our vision is for the Altium 365 web platform and its associated industry connector, Nexar, to digitise the entire PCB design, component sourcing and board manufacturing process from 'end-to-end.' We believe that it has the potential to transform PCB design and manufacturing so that it is consistent with the modern era of the IOT.

To achieve our vision, Altium intends to become the dominant provider of PCB design software tools and by providing compelling reasons, encourage secondary stakeholders to adopt Altium 365 and connect their businesses to the platform that will transform the electronics industry.



The Group's pivot to the cloud is at the heart of this strategy of transformation through dominance. The move to the cloud for our customers is facilitated by four adoption programs:

- Adoption of Design Tools through a digital sales platform for Altium Designer
- Adoption of Design Platform through professional sales of NEXUS
- Adoption of Cloud Platform through Altium 365
- Adoption of Ecosystem through Nexar

During fiscal 2022, Altium will extend its digital sales platform and digital stores to mainstream customers, while using strategic partnerships to accelerate our expansion into the high-end of the market.

The benefits of Altium 365 include:

- Reduction of churn
- Increased utilisation of PCB design tools
- Through Nexar, a seamless digital platform to connect design with component sourcing and board manufacturing
- Direct monetization opportunities through premium services and apps

Electronics are at the very heart of the software engineering ecosystem and are the bridge that connects the multiple disciplines of engineering from electronic CAD, to mechanical CAD, to product lifecycle management to computer aided engineering. The unique position of Altium in the engineering ecosystem as an independent and increasingly dominant electronics design tool provider gives the Group the confidence that its strategy will enable us to achieve the goals set out for the next five years.



# Outlook



- US\$500 million in revenue
- 100,000 subscribers

**Altium is known for setting tough long term goals and working hard to achieve them. For market dominance, are committed to achieve 100,000 subscribers and US\$500 million in revenue.**

We are also building a more stable, predictable and recurring revenue model as we complete our move from a software only company to one with a wide range of services available on our cloud platform. Our transition is both deliberate and measured.

We have begun to report on Annual Recurring Revenue (ARR) which grew by 43% in the first half of fiscal 2022. Our flight path and our key financial metrics are focused on revenue, margin, ARR growth and operating cash flow, in addition to adoption metrics for Altium 365.



## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

## Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



Samuel Weiss  
Chairman

21 February 2022  
Sydney

## Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Aram Mirkazemi  
Chief Executive Officer



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Altium Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Altium Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Caoimhe Toouli

Caoimhe Toouli

Partner

Sydney

21 February 2022

# Altium Limited

Consolidated statement of profit or loss and other comprehensive income for the half-year

CONSOLIDATED			
	NOTE	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Continuing operations			
Revenue	4	102,202	79,971
Operating expenses			
Employee benefits expense		(43,645)	(38,368)
Depreciation and amortisation expense	5	(5,827)	(6,046)
Marketing expense		(4,327)	(3,496)
Software and equipment expense		(3,908)	(3,180)
Communication expense		(3,848)	(2,515)
Share-based payments		(2,876)	(1,312)
Professional advice expense		(2,851)	(1,756)
Hardware material expense		(1,798)	(687)
Insurance expense		(1,028)	(973)
Rental and occupancy expense		(738)	(863)
Remeasurement of contingent consideration		-	2,500
Other expenses		(2,382)	(2,316)
Total operating expenses		(73,228)	(59,012)
Operating profit		28,974	20,959
Finance income		313	107
Finance costs		(272)	(368)
Profit before income tax expense		29,015	20,698
Income tax expense	6	(6,143)	(4,082)
Profit after income tax expense from continuing operations		22,872	16,616
Discontinued operations			
(Loss) / profit after income tax expense from discontinued operations	7	(143)	3,093
Profit after income tax expense for the half-year attributable to the owners of Altium Limited		22,729	19,709
Other comprehensive income for the half-year, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(428)	(443)
Total comprehensive income for the half-year attributable to the owners of Altium Limited		22,301	19,266
		CENTS	CENTS
Continuing operations			
Basic earnings per share	11	17.41	12.67
Diluted earnings per share	11	17.39	12.65
Group total			
Basic earnings per share	11	17.30	15.03
Diluted earnings per share	11	17.28	15.01

Results for the divested business for the half-year ended 31 December 2020 have been presented within discontinued operations (refer Note 7). The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Altium Limited

## Consolidated statement of financial position

		CONSOLIDATED	
	NOTE	31 DEC 2021 US\$'000	30 JUN 2021 US\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		195,019	191,541
Trade and other receivables <sup>1</sup>		42,314	57,257
Unbilled receivables		8,717	8,860
Inventories		2,069	1,850
Tax receivables		1,625	1,243
Other assets		5,041	5,034
Total current assets		254,785	265,785
<b>Non-current assets</b>			
Other receivables		1,460	1,512
Investments and other assets	8	3,155	3,034
Property, plant and equipment		4,845	5,956
Right-of-use assets		8,141	10,229
Intangible assets		45,631	47,179
Deferred tax assets		47,092	49,457
Total non-current assets		110,324	117,367
Total assets		365,109	383,152
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		17,452	20,804
Lease liabilities		4,973	5,559
Tax liabilities <sup>2</sup>		13,526	27,493
Provisions		2,806	3,061
Customer contract liabilities		51,062	52,431
Total current liabilities		89,819	109,348
<b>Non-current liabilities</b>			
Lease liabilities		3,706	5,493
Deferred tax liability		4,183	4,547
Provisions		379	373
Customer contract liabilities		6,474	7,487
Other liabilities		-	4
Total non-current liabilities		14,742	17,904
Total liabilities		104,561	127,252
Net assets		260,548	255,900
<b>Equity</b>			
Contributed equity	9	127,699	127,699
Reserves		24,204	22,142
Retained profits		108,645	106,059
Total equity		260,548	255,900

<sup>1</sup> Trade and other receivables as at 30 June 2021 included US\$10.0 million receivables related to the sale of the TASKING business.

<sup>2</sup> Tax liabilities as at 31 December 2021 include \$12.1 million tax payable related to the divestment of the TASKING business (refer to Note 7).

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



# Altium Limited

Consolidated statement of changes in equity for the half-year

CONSOLIDATED	CONTRIBUTED EQUITY US\$'000	RESERVES US\$'000	RETAINED PROFIT US\$'000	TOTAL EQUITY US\$'000
Balance at 1 July 2020	126,851	20,851	36,631	184,333
Profit after income tax expense for the half-year	-	-	19,709	19,709
Other comprehensive income for the half-year, net of tax	-	(443)	-	(443)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(443)</b>	<b>19,709</b>	<b>19,266</b>
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,105	-	1,105
Shares issued on acquisition of Upverter Inc, net of transaction costs	848	-	-	848
Dividends paid (note 10)	-	-	(18,351)	(18,351)
<b>Balance at 31 December 2020</b>	<b>127,699</b>	<b>21,513</b>	<b>37,989</b>	<b>187,201</b>

CONSOLIDATED	CONTRIBUTED EQUITY US\$'000	RESERVES US\$'000	RETAINED PROFIT US\$'000	TOTAL EQUITY US\$'000
Balance at 1 July 2021	127,699	22,142	106,059	255,900
Profit after income tax expense for the half-year	-	-	22,729	22,729
Other comprehensive income for the half-year, net of tax	-	(428)	-	(428)
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(428)</b>	<b>22,729</b>	<b>22,301</b>
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	2,490	-	2,490
Dividends paid (note 10)	-	-	(20,143)	(20,143)
<b>Balance at 31 December 2021</b>	<b>127,699</b>	<b>24,204</b>	<b>108,645</b>	<b>260,548</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

		CONSOLIDATED	
	NOTE	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of tax)		108,526	91,132
Payments to suppliers and employees (inclusive of tax)		(71,682)	(62,253)
Interest received		127	107
Interest and other finance costs paid		(270)	(360)
Net income taxes paid		(3,416)	(9,921)
Net cash from operating activities		33,285	18,705
Cash flows from investing activities			
Payments on contingent and deferred considerations		-	(50)
Payments for property, plant and equipment		(236)	(1,327)
Payments for intangibles		(231)	(588)
Proceeds from sale of TASKING, net of separation costs and tax paid	7	(5,507)	-
Net cash used in investing activities		(5,974)	(1,965)
Cash flows from financing activities			
Dividends paid	10	(20,143)	(18,351)
Repayment of principal component of lease liabilities		(2,961)	(2,828)
Net cash used in financing activities		(23,104)	(21,179)
Net Increase / (decrease) in cash and cash equivalents		4,207	(4,439)
Cash and cash equivalents at the beginning of the financial half-year		191,541	93,083
Effects of exchange rate changes on cash and cash equivalents		(729)	(149)
Cash and cash equivalents at the end of the financial half-year		195,019	88,495

Cash flows of discontinued operations are included in the comparative period (refer Note 7). The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTE 1

### General information

The financial report covers Altium Limited as a consolidated entity consisting of Altium Limited and its controlled entities. The financial report is presented in US dollars, which is Altium Limited's presentation and functional currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Altium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 6.03, Level 6,  
Tower B, The Zenith,  
821 Pacific Highway,  
Chatswood, NSW 2067  
Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 21 February 2022. The directors have the power to amend and reissue the financial report.

Altium makes extensive use of internet-enabled communications to ensure that its corporate reporting is timely, complete and available globally at minimum cost to the Group with maximum immediacy for shareholders and other stakeholders. All press releases, financial reports and other information are available at the investors section on the Altium website: [www.altium.com](http://www.altium.com). For queries in relation to Altium's reporting, please email [investor.relations@altium.com](mailto:investor.relations@altium.com).

## NOTE 2

### Significant accounting policies, judgement and estimates

These interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has reviewed all new accounting standards and interpretations issued by the Australian Accounting Standards Board ('AASB') and determined none of these standards and interpretations materially impact the Group during the half year period and therefore have not been adopted.

### Judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## Measurement of fair value

Fair values of financial assets and liabilities are categorised into the different levels of the fair value hierarchy based on the inputs used in the valuation techniques. The Group does not hold any financial assets or liabilities which are classified as Level 1 or Level 2 fair value instruments in the fair value hierarchy. The convertible preference shares held in MacroFab Inc are recognised as a financial asset valued at fair value and are classified as a level 3 fair value instrument in the fair value hierarchy due to the use of unobservable inputs.

Management reviews significant unobservable inputs and valuation adjustments on a bi-annual basis. Any material valuation issues are reported to the Group Audit Committee.

### NOTE 3

## Operating segments

### Description of segments

Management has determined the operating segments based on the reports provided to the Chief Operating Decision Makers ('CODM'), which are used to make strategic decisions and review operational performance. The CODM comprises the Board, Chief Executive Officer and Chief Financial Officer.

The CODM Team consider the financial performance of the business based on product types and the overall economic characteristics of industries in which the Group operates and, as such, have identified two operating segments:

#### REPORTABLE SEGMENTS

#### PRINCIPAL ACTIVITIES

### Board and Systems

Includes results from the PCB business for the Americas, EMEA, China and Asia- Pacific, Altium NEXUS as well as other products sold through partner channels.

### Nexar

Includes the results from Octopart, Upverter and other products sold through the manufacturing business.

The Board and Executive Team continue to consider the financial position of the business from a geographical perspective and as such the assets and liabilities of the Group are presented by geographical region for the half year ended 31 December 2021 and the comparative period.

Segment performance is evaluated based on earnings before interest expense, tax expense, depreciation and amortisation (EBITDA). Segment sales represent invoiced sales. These are subsequently adjusted for the deferred component which is recognised over the service period to arrive at revenue. Invoiced sales and revenue are management's key metrics in understanding the results by segment.

On 5 October 2020, Altium announced the restructure of its leadership and organisation structure to support the company's growing strategic focus towards the cloud platform. Under the new organisational structure, Altium's go-to-market and product focus is divided between Cloud and Software, each with its own leadership and organisational roadmap which were finalised in the second half of 2021. Consequently, the segment Nexar replaced the previously reported segment Electronic Parts, Search and Discovery. Nexar includes Octopart, Upverter and manufacturing related operations which were previously recognized within the Board and Systems segment. The change in segment definitions resulted in the restatement of comparative information.



## Intersegment transactions

Transactions between segments are excluded from the segment information and do not form part of the reports used by the Board and Executive Team.

## Intersegment receivables, payables and loans

Intersegment loans are initially recognised based on the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

## Operating segment information

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE 31 DECEMBER 2021	BOARDS AND SYSTEMS US\$'000	NEXAR US\$'000	CORPORATE / UNALLOCATED US\$'000	TOTAL US\$'000
Segment sales <sup>1</sup>	79,613	23,096	-	102,709
Net adjustment for deferred revenue recognition <sup>2</sup>	(448)	(59)	-	(507)
<b>Total revenue</b>	<b>79,165</b>	<b>23,037</b>	<b>-</b>	<b>102,202</b>
<b>EBITDA</b>	<b>42,920</b>	<b>12,204</b>	<b>(20,323)</b>	<b>34,801</b>
Depreciation and amortisation			(5,827)	(5,827)
Net finance income <sup>3</sup>			41	41
<b>Profit before income tax expense</b>				<b>29,015</b>
Income tax expense				(6,143)
<b>Profit after income tax from continuing operations</b>				<b>22,872</b>
Profit / (loss) after income tax from discontinued operations				(143)
<b>Profit after income tax expense for the half-year attributable to the owners of Altium Limited</b>				<b>22,729</b>

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE 31 DECEMBER 2020	BOARDS AND SYSTEMS US\$'000	NEXAR US\$'000	CORPORATE / UNALLOCATED US\$'000	TOTAL US\$'000
Segment sales <sup>1</sup>	68,296	11,750	-	80,046
Net adjustment for deferred revenue recognition <sup>2</sup>	(136)	61	-	(75)
<b>Total revenue</b>	<b>68,160</b>	<b>11,811</b>	<b>-</b>	<b>79,971</b>
<b>EBITDA</b>	<b>35,952</b>	<b>4,361</b>	<b>(13,308)</b>	<b>27,005</b>
Depreciation and amortisation			(6,046)	(6,046)
Net finance costs <sup>3</sup>			(261)	(261)
<b>Profit before income tax expense</b>				<b>20,698</b>
Income tax expense				(4,082)
<b>Profit after income tax from continuing operations</b>				<b>16,616</b>
Profit after income tax from discontinued operations				3,093
<b>Profit after income tax expense for the half-year attributable to the owners of Altium Limited</b>				<b>19,709</b>

<sup>1</sup> Segment sales relate to amounts billed to customers.

<sup>2</sup> Adjustment relates to the portion of deferred revenue which has been billed.

<sup>3</sup> Net finance income / costs includes interest income of US\$126,000 (2020: US\$107,000), accrued dividends of US\$187,000 (2020: nil) and finance costs of \$272,000 (2020: US\$368,000).

## Geographical information

31 DECEMBER 2021 CONSOLIDATED STATEMENT OF FINANCIAL POSITION	AMERICAS US\$'000	EMEA US\$'000	CHINA US\$'000	ASIA PACIFIC US\$'000	CORPORATE US\$'000	TOTAL US\$'000
Revenue	54,295	30,443	11,311	6,153	-	102,202
<b>Assets</b>						
Segment assets	58,238	36,275	16,200	16,359	189,320	316,392
<i>Unallocated assets:</i>						
Deferred tax asset						47,092
Tax receivables						1,625
<b>Total assets</b>						<b>365,109</b>
<b>Liabilities</b>						
Segment liabilities	30,054	29,200	5,434	6,202	7,283	78,173
<i>Unallocated liabilities:</i>						
Tax liabilities						13,526
Deferred tax liability						4,183
Lease liabilities						8,679
<b>Total liabilities</b>						<b>104,561</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	AMERICAS US\$'000	EMEA US\$'000	CHINA US\$'000	ASIA PACIFIC US\$'000	CORPORATE US\$'000	TOTAL US\$'000
<b>31 December 2020</b>						
Revenue	39,151	25,588	10,663	4,569	-	79,971
<b>30 June 2021</b>						
<b>Assets</b>						
Segment assets	60,064	41,646	19,382	12,155	199,206	332,452
<i>Unallocated assets:</i>						
Deferred tax asset						49,457
Tax receivables						1,243
<b>Total assets</b>						<b>383,152</b>
<b>Liabilities</b>						
Segment liabilities	32,127	31,516	5,735	9,071	5,711	84,160
<i>Unallocated liabilities:</i>						
Tax liabilities						27,493
Deferred tax liability						4,547
Lease liabilities						11,052
<b>Total liabilities</b>						<b>127,252</b>

## NOTE 4

## Revenue

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
From continuing operations		
Software license revenue <sup>1</sup>	38,724	34,021
Subscription and maintenance revenue	38,716	33,237
Search advertising revenue	22,111	10,737
Service revenue	1,634	1,141
Other revenue	1,017	835
Revenue from continuing operations	102,202	79,971

<sup>1</sup>Includes term-based licenses.

## NOTE 5

## Expenses

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Profit before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Right-of-use assets	2,635	2,775
Property, plant and equipment	1,411	1,635
Total depreciation	4,046	4,410
<i>Amortisation</i>		
Customer relationships	668	667
Software	576	431
Intellectual property	537	538
Total amortisation	1,781	1,636
Total depreciation and amortisation	5,827	6,046

## NOTE 6

## Income tax expense

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
<i>Income tax expense</i>		
Current tax	4,122	1,789
Deferred tax	1,970	2,353
Adjustment recognised for prior periods	51	(60)
<b>Aggregate income tax expense</b>	<b>6,143</b>	<b>4,082</b>

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	2,672	3,018
Decrease in deferred tax liabilities	(702)	(665)
<b>Deferred tax</b>	<b>1,970</b>	<b>2,353</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense from continuing operations	29,015	20,698
<b>Tax at the statutory tax rate of 30%</b>	<b>8,705</b>	<b>6,209</b>
<i>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Share-based payments	747	394
Re-measurement of contingent consideration	-	(744)
Other items	(122)	277
	<b>9,330</b>	<b>6,136</b>
Adjustment recognised for prior periods	51	(60)
Difference in overseas tax rates	(2,777)	(1,248)
Remeasurement of deferred tax assets and liabilities	(135)	(610)
Previously unrecognised temporary differences	(160)	(43)
R&D credits	(361)	(93)
Franchise tax	195	-
<b>Income tax expense</b>	<b>6,143</b>	<b>4,082</b>

During the 2019 financial year, Altium was selected for a risk review followed by an audit by the Australian Tax Office (ATO), which is part of a program of work conducted by the ATO for the Top 1000 taxpayers in the large business and international segment. As is the case with all ATO reviews and audits, potential outcomes could include further ATO reviews, resolution or the issue of assessments. Further detail regarding the ATO audit has been outlined in Note 12.



## NOTE 7

## Discontinued operations

On 11 December 2020, the Group entered into a definitive agreement to sell the TASKING business for US\$110 million, with the completion of the sale occurring on 5 February 2021. As a consequence the half-year ended 31 December 2021 and 31 December 2020 results of TASKING have been presented in discontinued operations. The transaction was settled in cash with US\$100.0 million received upfront in fiscal 2021 and the remaining US\$10.0 million received in the first half of fiscal 2022.

Financial information for discontinued operations is summarised below:

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Revenue	-	9,625
Expenses	(177)	(6,090)
Finance costs	-	(2)
Total expenses	(177)	(6,092)
(Loss) / profit before income tax expense	(177)	3,533
Income tax benefit/ (expense)	34	(440)
(Loss) / profit after income tax expense	(143)	3,093
Cash flows of discontinued operations		
Net cash inflows from operating activities	-	3,891
Net cash outflows from investing activities	(5,507)	(14)
Net cash outflows from financing activities	-	(63)
Net (decrease) / increase in cash generated by discontinued operations	(5,507)	3,814

Expenses during the period ended 31 December 2021 included US\$0.2 million (31 December 2020: US\$1.2 million) of separation costs associated with the divestment of the TASKING business.

### Cash proceeds from divestment, net of separation costs and tax paid

	CONSOLIDATED
	31 DEC 2021 US\$'000
Cash proceeds received from the sale of the TASKING business	10,000
Less: transaction and separation costs paid	(466)
Less: tax paid related to the sale of TASKING <sup>1</sup>	(15,041)
Net cash outflows from divestment, net of separation costs and tax paid	(5,507)

<sup>1</sup> As disclosed in the 2021 annual report, the tax liability associated with the divestment of TASKING business was \$33.7 million, of which \$6.6 million was paid in fiscal 2021, \$15.0 million was paid in the first half of fiscal 2022 and the remaining balance of \$12.1 million is presented within the tax liabilities as at 31 December 2021.

## NOTE 8

## Non-current assets – investment

	CONSOLIDATED	
	31 DEC 2021 US\$'000	30 JUN 2021 US\$'000
Investment in unlisted convertible preference shares	3,000	3,000
Accrued dividend on unlisted convertible preference shares	155	34
<b>Total expenses</b>	<b>3,155</b>	<b>3,034</b>

In May 2021, Altium acquired 3,047,021 Series B convertible preference shares in MacroFab Inc at a cost of US\$3.0 million. Macrofab Inc provides a cloud platform service for electronics manufacturing.

The shares are entitled to cumulative, non-compounding dividends at a rate of 8% per annum. The shares are convertible into ordinary shares at the option of the holder or automatically if the prescribed conditions are met. The shares are redeemable after the fifth anniversary of closing at the election of the Series B majority. The shares acquired are less than ten per cent of the total share capital in Macrofab Inc, with no voting entitlements.

The fair value of the shares is classified as a level 3 fair value instrument in the fair value hierarchy due to the use of unobservable inputs. As at 31 December 2021, the fair value of the shares approximates the acquisition cost of US\$3.0 million; therefore, no fair value gains or losses have been recognised during the half-year ended 31 December 2021.

## NOTE 9

## Equity - Contributed equity

	CONSOLIDATED			
	31 DEC 2021 SHARES	30 JUN 2021 SHARES	31 DEC 2021 US\$'000	30 JUN 2021 US\$'000
Ordinary shares - fully paid	131,469,072	131,228,194	127,699	127,699

### Movements in ordinary share capital

DETAILS	DATE	SHARES	ISSUE PRICE AU\$	US\$'000
Balance	1 July 2021	131,228,194		127,699
Share issued - Employee Performance Rights	28 September 2021	240,878	-	-
<b>Balance</b>	<b>31 December 2021</b>	<b>131,469,072</b>		<b>127,699</b>

## NOTE 10

## Equity - dividends

Dividends paid during the financial half-year were as follows:

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
Final dividend for the year ended 30 June 2021 of AU 21 cents (30 June 2020: AU 19 cents)	20,143	18,351

The directors have declared a fully franked (30%) interim dividend of AU 21 cents per share (2020: AU 19 cents) for the half-year ended 31 December 2021. The dividend will be paid on 22 March 2022 based on a record date of 8 March 2022. This amounts to a total dividend of US\$19.9 million based on the total number of shares outstanding. The franking credits available for future periods is US\$17.4 million (30 June 2021: US\$2.0 million).

## NOTE 11

## Earnings per share

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
<i>Earnings per share - continuing operations</i>		
Profit after income tax expense for the half-year attributable to the owners of Altium Limited	22,872	16,616
	CENTS	CENTS
Basic earnings per share	17.41	12.67
Diluted earnings per share	17.39	12.65

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
<i>Earnings per share - discontinued operations</i>		
Profit after income tax expense for the half-year attributable to the owners of Altium Limited	(143)	3,093
	CENTS	CENTS
Basic earnings per share	(0.11)	2.36
Diluted earnings per share	(0.11)	2.36

	CONSOLIDATED	
	31 DEC 2021 US\$'000	31 DEC 2020 US\$'000
<i>Earnings per share - attributable to the owners of Altium Limited</i>		
Profit after income tax expense for the half-year attributable to the owners of Altium Limited	22,729	19,709
	CENTS	CENTS
Basic earnings per share	17.30	15.03
Diluted earnings per share	17.28	15.01

	NUMBER	NUMBER
<i>Weighted average number of ordinary shares during the period</i>		
Used in the calculation of basic earnings per share	131,351,251	131,126,974
Adjustments for calculation of diluted earnings per share:		
Employee performance share rights	209,864	213,564
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>131,561,115</b>	<b>131,340,538</b>

## NOTE 12

## Contingent liabilities

As disclosed in the 2021 Annual Report, Altium continues to defend a legal claim filed by the former CFO, Joseph Bedewi, in relation to his final tranche of 40,000 shares granted pursuant to his employment agreement which were subject to time conditions. It remains the Group's position that the remaining unvested shares including the final tranche did not vest in accordance with the 2019 LTI Plan to which they were subject, resulting in the forfeiture of this tranche.

Altium has determined it is not probable that the Group has a present obligation and as such no provision has been recognised in the statement of financial position.

During the 2019 financial year, the Australian Tax Office (ATO) performed a risk review as part of their program of work for the Top 1000 taxpayers in the large business and international segment, subsequently commencing an audit in respect of the years ended 30 June 2014 to 30 June 2018.

The focus of the audit is a company restructure implemented by Altium in 2015 which resulted in the relocation of Altium's core business assets to a wholly owned group entity in the USA, including intellectual property valued at US\$402.9 million. The ATO is examining the application of the transfer pricing and general anti-avoidance provisions of Australian tax law arising from this restructure.

In May 2021, the ATO provided its preliminary position in respect of the transfer pricing and anti-avoidance provisions that it believes that Altium has understated the Australian tax impacts of the restructure. The potential tax liability (excluding interest and penalties) that the ATO asserts in respect of the audit years remains unchanged from 30 June 2021, ranging from AU\$21.1 million to AU\$157.8 million (US\$15.3 million to US\$114.4 million). The ATO subsequently reconfirmed its position with respect to transfer pricing in January 2022 by issuing a statement of audit position despite the provision of a substantive response in September 2021. Altium disagrees with the ATO's position and intends to vigorously defend its position and if necessary, contest the matter through litigation proceedings which Altium understands may take time to be determined. Altium continues to engage external legal advisers in relation to this matter. The dispute process is ongoing.

Based on information available to the Directors and noting that discussions with the ATO are in their preliminary stages, Altium does not consider it probable that the company will be required to pay additional tax in relation to this matter and no provision was recognised as at 31 December 2021. A contingent liability exists relating to any ultimate future outcome that is inconsistent with Altium's position.

## NOTE 13

## Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



## In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Samuel Weiss  
Chairman

21 February 2022  
Sydney



Aram Mirkazemi  
Chief Executive Officer

# Independent Auditor's Review Report

To the shareholders of Altium Limited

## Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Altium Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Altium Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Altium Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Caoimhe Toouli

Partner

Sydney

21 February 2022