

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38263

ALTAIR ENGINEERING INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1820 East Big Beaver Road, Troy, Michigan
(Address of principal executive offices)

38-2591828

(I.R.S. Employer Identification No.)

48083
(Zip Code)

(248) 614-2400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock \$0.0001 par value per share	ALTR	The NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

On April 19, 2021, there were 45,711,025 shares of the registrant's Class A common stock outstanding and 29,430,732 shares of the registrant's Class B common stock outstanding.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2021
INDEX

	Page
PART I.	
<u>FINANCIAL INFORMATION</u>	
Item 1.	3
a)	3
b)	4
c)	5
d)	6
e)	8
f)	9
Item 2.	19
Item 3.	30
Item 4.	31
PART II.	
<u>OTHER INFORMATION</u>	
Item 1.	32
Item 1A.	32
Item 2.	32
Item 3.	32
Item 4.	32
Item 5.	32
Item 6.	33
<u>SIGNATURES</u>	34

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 243,364	\$ 241,221
Accounts receivable, net	107,112	117,878
Income tax receivable	5,985	6,736
Prepaid expenses and other current assets	22,295	21,100
Total current assets	378,756	386,935
Property and equipment, net	39,143	36,332
Operating lease right of use assets	33,568	33,526
Goodwill	262,090	264,481
Other intangible assets, net	70,912	76,114
Deferred tax assets	8,476	7,125
Other long-term assets	24,968	25,389
TOTAL ASSETS	\$ 817,913	\$ 829,902
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 394	\$ 30,384
Accounts payable	6,671	8,594
Accrued compensation and benefits	36,785	34,772
Current portion of operating lease liabilities	10,471	10,331
Other accrued expenses and current liabilities	32,238	30,982
Deferred revenue	81,737	85,691
Convertible senior notes, net	191,094	—
Total current liabilities	359,390	200,754
Long-term debt, net of current portion	258	353
Convertible senior notes, net	—	188,300
Operating lease liabilities, net of current portion	24,319	24,323
Deferred revenue, non-current	8,992	9,388
Other long-term liabilities	25,141	27,414
TOTAL LIABILITIES	418,100	450,532
Commitments and contingencies		
MEZZANINE EQUITY	784	784
STOCKHOLDERS' EQUITY:		
Preferred stock (\$0.0001 par value), authorized 45,000 shares, none issued and outstanding	—	—
Common stock (\$0.0001 par value)		
Class A common stock, authorized 513,797 shares, issued and outstanding 45,494 and 44,216 shares as of March 31, 2021, and December 31, 2020, respectively	4	4
Class B common stock, authorized 41,203 shares, issued and outstanding 29,601 and 30,111 shares as of March 31, 2021, and December 31, 2020, respectively	3	3
Additional paid-in capital	484,584	474,669
Accumulated deficit	(78,933)	(93,293)
Accumulated other comprehensive loss	(6,629)	(2,797)
TOTAL STOCKHOLDERS' EQUITY	399,029	378,586
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY	\$ 817,913	\$ 829,902

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three Months Ended March 31,	
	2021	2020
Revenue		
License	\$ 96,395	\$ 77,543
Maintenance and other services	33,146	30,900
Total software	129,541	108,443
Software related services	8,098	6,934
Total software and related services	137,639	115,377
Client engineering services	10,677	13,878
Other	1,847	2,208
Total revenue	150,163	131,463
Cost of revenue		
License	5,395	5,523
Maintenance and other services	11,555	10,455
Total software	16,950	15,978
Software related services	6,122	5,489
Total software and related services	23,072	21,467
Client engineering services	8,888	11,318
Other	1,462	1,712
Total cost of revenue	33,422	34,497
Gross profit	116,741	96,966
Operating expenses:		
Research and development	38,276	31,467
Sales and marketing	32,070	28,099
General and administrative	23,926	22,346
Amortization of intangible assets	4,877	3,840
Other operating income, net	(617)	(891)
Total operating expenses	98,532	84,861
Operating income	18,209	12,105
Interest expense	2,973	2,813
Other expense (income), net	835	(1,390)
Income before income taxes	14,401	10,682
Income tax expense	41	4,652
Net income	\$ 14,360	\$ 6,030
Income per share:		
Net income per share attributable to common stockholders, basic	\$ 0.19	\$ 0.08
Net income per share attributable to common stockholders, diluted	\$ 0.18	\$ 0.08
Weighted average shares outstanding:		
Weighted average number of shares used in computing net income per share, basic	74,651	72,623
Weighted average number of shares used in computing net income per share, diluted	79,295	77,004

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(in thousands)	Three Months Ended March 31,	
	2021	2020
Net income	\$ 14,360	\$ 6,030
Other comprehensive (loss) income, net of tax:		
Foreign currency translation (net of tax effect of \$0 for all periods)	(3,975)	(7,578)
Retirement related benefit plans (net of tax effect of \$0 and \$13, respectively)	143	137
Total other comprehensive loss	(3,832)	(7,441)
Comprehensive income (loss)	\$ 10,528	\$ (1,411)

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)	Common stock				Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance at January 1, 2021	44,216	\$ 4	30,111	\$ 3	\$474,669	\$ (93,293)	\$ (2,797)	\$ 378,586
Net income	—	—	—	—	—	14,360	—	14,360
Exercise of stock options	490	—	—	—	271	—	—	271
Vesting of restricted stock	278	—	—	—	—	—	—	—
Conversion from Class B to Class A common stock	510	—	(510)	—	—	—	—	—
Stock-based compensation	—	—	—	—	9,644	—	—	9,644
Foreign currency translation, net of tax	—	—	—	—	—	—	(3,975)	(3,975)
Retirement related benefit plans, net of tax	—	—	—	—	—	—	143	143
Balance at March 31, 2021	45,494	\$ 4	29,601	\$ 3	\$484,584	\$ (78,933)	\$ (6,629)	\$ 399,029

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)	Common stock				Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance at January 1, 2020	41,271	\$ 4	31,131	\$ 3	\$ 446,633	\$ (82,405)	\$ (9,528)	\$ 354,707
Cumulative effect of an accounting change	—	—	—	—	—	(388)	—	(388)
Net income	—	—	—	—	—	6,030	—	6,030
Exercise of stock options	285	—	—	—	194	—	—	194
Vesting of restricted stock	143	—	—	—	—	—	—	—
Conversion from Class B to Class A common stock	80	—	(80)	—	—	—	—	—
Stock-based compensation	—	—	—	—	3,043	—	—	3,043
Foreign currency translation, net of tax	—	—	—	—	—	—	(7,578)	(7,578)
Retirement related benefit plans, net of tax	—	—	—	—	—	—	137	137
Balance at March 31, 2020	41,779	\$ 4	\$ 31,051	\$ 3	\$ 449,870	\$ (76,763)	\$ (16,969)	\$ 356,145

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Three Months Ended March 31,	
	2021	2020
OPERATING ACTIVITIES:		
Net income	\$ 14,360	\$ 6,030
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,686	5,660
Provision for credit loss	89	338
Amortization of debt discount and issuance costs	2,800	2,653
Stock-based compensation expense	9,648	3,171
Deferred income taxes	(687)	(6,001)
Other, net	(18)	7
Changes in assets and liabilities:		
Accounts receivable	8,768	14,463
Prepaid expenses and other current assets	(805)	1,184
Other long-term assets	(3,628)	(321)
Accounts payable	(767)	(3,001)
Accrued compensation and benefits	2,626	(2,581)
Other accrued expenses and current liabilities	183	8,580
Operating lease right-of-use assets and liabilities, net	126	(17)
Deferred revenue	(2,810)	(2,129)
Net cash provided by operating activities	36,571	28,036
INVESTING ACTIVITIES:		
Capital expenditures	(3,039)	(1,644)
Payments for acquisition of developed technology	(344)	(433)
Other investing activities, net	(68)	62
Net cash used in investing activities	(3,451)	(2,015)
FINANCING ACTIVITIES:		
Payments on revolving commitment	(30,000)	—
Proceeds from the exercise of stock options	271	194
Other financing activities	(107)	(118)
Net cash (used in) provided by financing activities	(29,836)	76
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,331)	(2,113)
Net increase in cash, cash equivalents and restricted cash	1,953	23,984
Cash, cash equivalents and restricted cash at beginning of year	241,547	223,497
Cash, cash equivalents and restricted cash at end of period	\$ 243,500	\$ 247,481
Supplemental disclosure of cash flow:		
Interest paid	\$ 47	\$ 15
Income taxes paid	\$ 2,381	\$ 1,831
Supplemental disclosure of non-cash investing and financing activities:		
Finance leases	\$ —	\$ 29
Property and equipment in accounts payable, other current liabilities and other liabilities	\$ 619	\$ 382

See accompanying notes to consolidated financial statements.

ALTAIR ENGINEERING INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and description of business

Altair Engineering Inc. (“Altair” or the “Company”) is incorporated in the state of Delaware. The Company is a global technology company providing software and cloud solutions in the areas of simulation, high-performance computing (“HPC”), data analytics, and artificial intelligence (“AI”). Altair enables organizations across broad industry segments to compete more effectively in a connected world while creating a more sustainable future. The Company is headquartered in Troy, Michigan.

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial information. Accordingly, the accompanying statements do not include all the information and notes required by GAAP for complete financial statements. The accompanying unaudited consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements (and notes thereto) for the year ended December 31, 2020, included in the most recent Annual Report on Form 10-K filed with the SEC.

Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods. On an ongoing basis, management evaluates its significant estimates including the stand alone selling price, or SSP, for each distinct performance obligation included in customer contracts with multiple performance obligations, valuation of acquired intangible assets in business combinations, the incremental borrowing rate used in the valuation of lease liabilities, the determination of the period of benefit for capitalized costs to obtain a contract, fair value of convertible senior notes, provision for credit loss, tax valuation allowances, liabilities for uncertain tax provisions, impairment of goodwill and intangible assets, retirement obligations, useful lives of intangible assets, revenue for fixed price contracts, and stock-based compensation. Actual results could differ from those estimates.

Significant accounting policies

There have been no material changes to our significant accounting policies as of and for the three months ended March 31, 2021 as compared to the significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2020.

2. Recent accounting guidance

Accounting standards adopted

Income Taxes – In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by removing certain exceptions to the general principles for income taxes. The Company adopted ASU 2019-12 effective as of January 1, 2021, and the adoption of this guidance did not have a material effect on its consolidated financial statements.

Accounting standards not yet adopted

Reference Rate Reform – In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another rate that is expected to be discontinued. The amendments in the guidance are optional and effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact of this new guidance on its consolidated financial statements and related disclosures and does not expect this guidance to have a material effect on its consolidated financial statements.

Debt – In August 2020, the FASB issued ASU No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)*. This ASU simplifies the accounting for convertible instruments by eliminating certain separation models. Under ASU 2020-06, a convertible debt instrument will generally be reported as a single liability at its amortized cost with no separate accounting for embedded conversion features. The update also requires the if-converted method to be used for convertible instruments and the effect of potential share settlement be included in the diluted earnings per share calculation when an instrument may be settled in cash or shares. The amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The guidance allows entities to use a modified or full retrospective transition method. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company will adopt ASU 2020-06 on January 1, 2022, and is currently evaluating the method of adoption and the related effect of the new guidance on its consolidated financial statements and earnings per share attributable to common stockholders.

3. Revenue from contracts with customers

Disaggregation of revenue

The Company disaggregates its software revenue by type of performance obligation and timing of revenue recognition as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Term licenses	\$ 84,934	\$ 69,381
Perpetual licenses	11,461	8,162
Maintenance	29,694	28,208
Professional software services	3,452	2,692
Software related services	8,098	6,934
Client engineering services	10,677	13,878
Other	1,847	2,208
Total revenue	<u>\$ 150,163</u>	<u>\$ 131,463</u>

The Company derived approximately 10% of its total revenue through indirect sales channels for the three months ended March 31, 2021 and 2020.

Costs to obtain a contract

As of March 31, 2021, and December 31, 2020, respectively, capitalized costs to obtain a contract were \$4.1 million and \$3.7 million recorded in Prepaid and other current assets and \$0.5 million and \$0.6 million recorded in Other long-term assets. Sales commissions were \$1.6 million and \$0.7 million for the three months ended March 31, 2021 and 2020, respectively, and were included in Sales and marketing expense in the Company’s consolidated statement of operations.

Contract assets

As of March 31, 2021, contract assets were \$8.9 million included in Accounts receivable, \$2.3 million included in Prepaid expenses and other current assets, and \$1.3 million included in Other long-term assets. As of December 31, 2020, contract assets were \$6.7 million included in Accounts receivable, \$1.4 million included in Prepaid expenses and other current assets, and \$1.3 million included in Other long-term assets.

Deferred revenue

Approximately \$42.6 million of revenue recognized during the three months ended March 31, 2021, was included in the deferred revenue balances at the beginning of the year.

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted revenue not yet recognized was \$121.2 million and \$120.2 million as of March 31, 2021 and 2020, respectively. The Company expects to recognize approximately 84% of the contracted revenue over the next 12 months and the remainder thereafter.

4. Supplementary Information

Cash, cash equivalents and restricted cash

The Company considers all highly liquid investments with original or remaining maturities of 90 days or less at the date of purchase to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value. Restricted cash is included in other long-term assets on the consolidated balance sheets. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the consolidated balance sheets that sum to the total of the amounts reported in the consolidated statement of cash flows (in thousands):

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 243,364	\$ 241,221
Restricted cash included in other long-term assets	136	326
Total cash, cash equivalents, and restricted cash	\$ 243,500	\$ 241,547

Restricted cash represents amounts required for a contractual agreement with an insurer for the payment of potential health insurance claims, and term deposits for bank guarantees.

Property and equipment, net

Property and equipment consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Land	\$ 9,983	\$ 10,067
Building and improvements	15,621	15,630
Computer equipment and software	42,269	41,451
Furniture, equipment and other	13,287	10,136
Leasehold improvements	9,656	9,652
Right-of-use assets under finance leases	2,627	2,665
Total property and equipment	93,443	89,601
Less: accumulated depreciation and amortization	54,300	53,269
Property and equipment, net	\$ 39,143	\$ 36,332

Depreciation expense, including amortization of right-of-use assets under finance leases, was \$1.8 million and \$1.8 million for the three months ended March 31, 2021 and 2020, respectively.

Other liabilities

The following table provides the details of other accrued expenses and current liabilities (in thousands):

	March 31, 2021	December 31, 2020
Income taxes payable	\$ 8,739	\$ 7,250
Accrued VAT	6,765	6,604
Accrued royalties	3,681	2,009
Accrued professional fees	3,308	3,156
Obligations for acquisition of businesses	1,717	1,957
Defined contribution plan liabilities	1,122	1,660
Billings in excess of cost	977	1,108
Non-income tax liabilities	841	1,366
Other current liabilities	5,088	5,872
Total	\$ 32,238	\$ 30,982

The following table provides details of other long-term liabilities (in thousands):

	March 31, 2021	December 31, 2020
Pension and other post retirement liabilities	\$ 14,548	\$ 14,497
Deferred tax liabilities	8,215	8,028
Other liabilities	2,378	4,889
Total	<u>\$ 25,141</u>	<u>\$ 27,414</u>

Restructuring expense

During the first quarter of 2021, the Company initiated a restructuring plan to realign resources with the Company's current business outlook and cost structure. The restructuring plan resulted in charges of \$3.3 million for the three months ended March 31, 2021, for employee termination benefits. The Company expects total restructuring costs to be \$5-6 million with the remaining costs to be primarily incurred in Q2 2021. The restructuring costs are attributable primarily to the Software reportable segment.

The restructuring expense incurred in the three months ended March 31, 2021, was recorded as follows (in thousands):

Cost of revenue – maintenance and other services	\$ 775
Research and development	1,129
Sales and marketing	912
General and administrative	530
Total restructuring expense	<u>\$ 3,346</u>

Other expense (income), net

Other expense (income), net consists of the following (in thousands):

	Three Months Ended March 31,	
	2021	2020
Foreign exchange loss (gain)	\$ 929	\$ (736)
Interest income and other	(94)	(654)
Other expense (income), net	<u>\$ 835</u>	<u>\$ (1,390)</u>

5. Goodwill and other intangible assets

Goodwill

The changes in the carrying amount of goodwill, which is attributable to the Software reportable segment, were as follows (in thousands):

Balance at January 1, 2021	\$ 264,481
Effects of foreign currency translation and other	(2,391)
Balance at March 31, 2021	<u>\$ 262,090</u>

Other intangible assets

A summary of other intangible assets is shown below (in thousands):

	March 31, 2021			
	Weighted average amortization period	Gross carrying amount	Accumulated amortization	Net carrying amount
<i>Definite-lived intangible assets:</i>				
Developed technology	4-6 years	\$ 78,520	\$ 40,925	\$ 37,595
Customer relationships	7-10 years	39,989	17,995	21,994
Other intangibles	4-10 years	345	100	245
Total definite-lived intangible assets		<u>118,854</u>	<u>59,020</u>	<u>59,834</u>
<i>Indefinite-lived intangible assets:</i>				
Trade names		11,078		11,078
Total other intangible assets		<u>\$ 129,932</u>	<u>\$ 59,020</u>	<u>\$ 70,912</u>

	December 31, 2020			
	Weighted average amortization period	Gross carrying amount	Accumulated amortization	Net carrying amount
<i>Definite-lived intangible assets:</i>				
Developed technology	4-6 years	\$ 78,841	\$ 37,651	\$ 41,190
Customer relationships	7-10 years	40,207	16,673	23,534
Other intangibles	4-10 years	344	84	260
Total definite-lived intangible assets		<u>119,392</u>	<u>54,408</u>	<u>64,984</u>
<i>Indefinite-lived intangible assets:</i>				
Trade names		11,130		11,130
Total other intangible assets		<u>\$ 130,522</u>	<u>\$ 54,408</u>	<u>\$ 76,114</u>

Amortization expense related to intangible assets was \$4.9 million and \$3.8 million for the three months ended March 31, 2021 and 2020, respectively.

The allocation of fair value of purchase consideration of the Company's 2020 acquisitions remains preliminary as of March 31, 2021. The primary areas that remain preliminary relate to the fair value of intangible assets acquired, certain tangible assets and liabilities acquired, income taxes and residual goodwill. The Company expects to finalize the valuation as soon as practicable, but not later than one year from the acquisition date. There were no changes to the preliminary fair value of assets acquired and liabilities assumed during the three months ended March 31, 2021.

6. Debt

The carrying value of debt is as follows (in thousands):

	March 31, 2021	December 31, 2020
Convertible senior notes	\$ 230,000	\$ 230,000
Revolving credit facility	—	30,000
Obligations for finance leases	652	775
Total debt	<u>230,652</u>	<u>260,775</u>
Less: unamortized debt discount	34,699	37,190
Less: unamortized debt issuance costs	4,207	4,548
Less: current portion of long-term debt	191,488	30,384
Long-term debt, net of current portion	<u>\$ 258</u>	<u>\$ 188,653</u>

Convertible senior notes

In June 2019, the Company issued \$230.0 million aggregate principal amount of 0.25% convertible senior notes due in 2024 (the "Convertible Notes"), which includes the underwriters' exercise in full of their option to purchase an additional \$30.0 million principal amount of the Convertible Notes, in a public offering. The net proceeds from the issuance of the Convertible Notes were \$221.9 million after deducting the underwriting discounts and commissions and estimated issuance costs.

The Convertible Notes bear interest at a rate of 0.25% per year, payable semi-annually in arrears on June 1 and December 1 of each year, commencing December 1, 2019. The Convertible Notes mature on June 1, 2024, unless, earlier repurchased or redeemed by the Company or converted pursuant to their terms.

The Convertible Notes have an initial conversion rate of 21.5049 shares of the Company's Class A common stock per \$1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately \$46.50 per share of its Class A common stock. Refer to the Company's consolidated financial statements for the year ended December 31, 2020, for details of the issuance of the Convertible Notes.

For more than twenty trading days during the thirty consecutive trading days ended March 31, 2021, the last reported sale price of the Company's Class A common stock exceeded 130% of the conversion price of the Convertible Notes. As a result, the Convertible Notes became convertible at the option of the holders on April 1, 2021, and were classified as current liabilities on the consolidated balance sheet as of March 31, 2021. As of the date of this filing, none of the holders of the Convertible Notes have submitted requests for conversion.

The Company may settle the Convertible Notes in cash, shares of Class A Common Stock or a combination of cash and shares of the Class A Common Stock, at the Company's election. The Company intends to settle the principal amount of the Convertible Notes in cash and the conversion spread in shares. As of March 31, 2021, the "if converted value" exceeded the principal amount of the Convertible Notes by \$79.5 million.

The net carrying value of the liability component of the Convertible Notes was as follows (in thousands):

	March 31, 2021	December 31, 2020
Principal	\$ 230,000	\$ 230,000
Less: unamortized debt discount	34,699	37,190
Less: unamortized debt issuance costs	4,207	4,510
Net carrying amount	<u>\$ 191,094</u>	<u>\$ 188,300</u>

The net carrying value of the equity component of the Convertible Notes was \$50.0 million as of both March 31, 2021, and December 31, 2020.

The interest expense recognized related to the Convertible Notes was as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Contractual interest expense	\$ 144	\$ 144
Amortization of debt issuance cost and discount	2,794	2,647
Total	<u>\$ 2,938</u>	<u>\$ 2,791</u>

Credit agreement

Revolving credit facility

The Company has a \$150.0 million credit facility with a maturity date of

December 15, 2023 (“2019 Amended Credit Agreement”). The 2019 Amended Credit Agreement provides for an accordion feature that allows the Company to expand the size of the revolving line of credit by an additional \$50.0 million, subject to certain conditions, by obtaining additional commitments from the existing lenders or by causing a person acceptable to the administrative agent to become a lender (in each case subject to the terms and conditions set forth in the 2019 Amended Credit Agreement).

As of March 31, 2021, there were no outstanding borrowings under the 2019 Amended Credit Agreement, there was \$150.0 million available for future borrowing, and the Company was in compliance with all the financial covenants. The 2019 Amended Credit Agreement is available for general corporate purposes, including working capital, capital expenditures, and permitted acquisitions.

For additional information about the 2019 Amended Credit Agreement, refer to the Company’s consolidated financial statements for the year ended December 31, 2020, included in our Annual Report on Form 10-K for the year ended December 31, 2020.

7. Fair value measurements

The accounting guidance for fair value, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The framework for measuring fair value consists of a three-level valuation hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether such inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the reporting entity. The three-level hierarchy for the inputs to valuation techniques is briefly summarized as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities at the measurement date;

Level 2 – Observable inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short maturities. Interest on the Company’s line of credit is at a variable rate, and as such the debt obligation outstanding approximates fair value.

The carrying value of the Company’s Convertible Notes are at face value less unamortized debt discount and issuance costs. The estimated fair values of the Convertible Notes, which the Company has classified as Level 2 financial instruments, were determined based on quoted bid prices of the Convertible Notes on the last trading day of each reporting period. As of March 31, 2021, the fair value of the Convertible Notes was \$331.9 million and is presented for required disclosure purposes only. For further information on the Convertible Notes, see Note 6. – Debt.

8. Stock-based compensation

2017 stock-based compensation plan

The following table summarizes the restricted stock units, or RSUs, awarded under the 2017 Equity Incentive Plan (“2017 Plan”) for the period:

	<u>Number of RSUs</u>
Outstanding at January 1, 2021	1,154,936
Granted	271,580
Vested	(277,467)
Forfeited	(35,194)
Outstanding at March 31, 2021	<u>1,113,855</u>

The weighted average grant date fair value of the RSUs was \$61.55 and the RSUs generally vest in four equal annual installments.

The following table summarizes the stock option activity under the 2017 Plan for the period:

	Number of options	Weighted average exercise price per share	Weighted average remaining contractual term (years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2021	4,203,482	\$ 45.68	9.7	
Granted	216,953	\$ 61.03		
Exercised	(1,510)	\$ 29.88		
Forfeited	(81,027)	\$ 46.86		
Outstanding at March 31, 2021	4,337,898	\$ 46.43	9.4	
Exercisable at March 31, 2021	24,026	\$ 33.75	8.2	\$ 0.7

Stock-based compensation expense

The stock-based compensation expense was recorded as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cost of revenue – maintenance and other services	\$ 1,158	\$ 366
Research and development	3,186	1,428
Sales and marketing	3,468	727
General and administrative	1,836	650
Total stock-based compensation expense	\$ 9,648	\$ 3,171

9. Net income per share

Basic net income per share attributable to common stockholders is computed using the weighted average number of shares of common stock outstanding for the period, excluding dilutive securities, stock options and restricted stock units (“RSUs”). Diluted net income per share attributable to common stockholders is based upon the weighted average number of shares of common stock outstanding for the period and potentially dilutive common shares, including the effect of dilutive securities, stock options and RSUs under the treasury stock method. The following table sets forth the computation of the numerators and denominators used in the basic and diluted net income per share amounts (in thousands, except per share data):

	Three Months Ended March 31,	
	2021	2020
Numerator:		
Net income	\$ 14,360	\$ 6,030
Denominator:		
Denominator for basic income per share— weighted average shares	74,651	72,623
Effect of dilutive securities, stock options and RSUs	4,644	4,381
Denominator for dilutive income per share	79,295	77,004
Net income per share attributable to common stockholders, basic	\$ 0.19	\$ 0.08
Net income per share attributable to common stockholders, diluted	\$ 0.18	\$ 0.08

There were no anti-dilutive shares excluded from the computation of income per share for each of the three months ended March 31, 2021 and 2020.

10. Income taxes

The Company's income tax expense and effective tax rate for the three months ended March 31, 2021 and 2020, were as follows (in thousands, except percentages):

	Three Months Ended March 31,	
	2021	2020
Income tax expense	\$ 41	\$ 4,652
Effective tax rate	0%	44%

The tax rate is affected by the Company being a U.S. resident taxpayer, the tax rates in the U.S. and other jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction and the relative amount of losses or income for which no benefit or expense is recognized due to a valuation allowance. The Company's effective tax rate for the three months ended March 31, 2021 and 2020, also includes net discrete benefit of \$3.6 million and net discrete expense of \$2.0 million, respectively, primarily related to changes in tax laws, withholding taxes on royalties, changes in reserves, changes in accruals for unremitted earnings and other adjustments.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the Consolidated Appropriations Act, 2021 ("CAA") were enacted during 2020 in response to the COVID-19 pandemic. The CARES Act and CAA, among other things, provide relief to U.S. federal corporate taxpayers through temporary adjustments to net operating loss rules, changes to limitations on interest expense deductibility, and the acceleration of available refunds for minimum tax credit carryforwards. The CARES Act and CAA did not have a material effect on the Company's consolidated financial statements.

11. Accumulated other comprehensive loss

The components of accumulated other comprehensive loss were as follows (in thousands):

	Foreign currency translation	Retirement related benefit plans	Total
Balance at January 1, 2021	\$ 854	\$ (3,651)	\$ (2,797)
Other comprehensive loss before reclassification	(3,975)	85	(3,890)
Amounts reclassified from accumulated other comprehensive loss	—	58	58
Tax effects	—	—	—
Other comprehensive (loss) income	(3,975)	143	(3,832)
Balance at March 31, 2021	<u>\$ (3,121)</u>	<u>\$ (3,508)</u>	<u>\$ (6,629)</u>

12. Commitments and contingencies

Legal proceedings

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of business. The Company has received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights. Future litigation may be necessary to defend the Company, its partners and its customers by determining the scope, enforceability and validity of third-party proprietary rights, or to establish and enforce the Company's proprietary rights. The results of any current or future litigation cannot be predicted with certainty and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

13. Segment information

The Company defines its operating segments as components of its business where separate financial information is available and used by the chief operating decision maker ("CODM") in deciding how to allocate resources to its segments and in assessing performance. The Company's CODM is its Chief Executive Officer.

The Company has identified two reportable segments for financial reporting purposes: Software and Client Engineering Services. The primary measure of segment operating performance is Adjusted EBITDA, which is defined as net income (loss) adjusted for income tax expense (benefit), interest expense, interest income and other, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairment charges and other special items as determined by management. Adjusted EBITDA includes an allocation of corporate headquarters costs.

The following tables are in thousands:

Three months ended March 31, 2021	Software	CES	All other	Total
Revenue	\$ 137,639	\$ 10,677	\$ 1,847	\$ 150,163
Adjusted EBITDA	\$ 36,238	\$ 1,010	\$ (288)	\$ 36,960

Three months ended March 31, 2020	Software	CES	All other	Total
Revenue	\$ 115,377	\$ 13,878	\$ 2,208	\$ 131,463
Adjusted EBITDA	\$ 20,464	\$ 1,502	\$ (294)	\$ 21,672

Reconciliation of Adjusted EBITDA to U.S. GAAP income before income taxes:	Three Months Ended March 31,	
	2021	2020
Adjusted EBITDA	\$ 36,960	\$ 21,672
Stock-based compensation expense	(9,648)	(3,171)
Interest expense	(2,973)	(2,813)
Depreciation and amortization	(6,686)	(5,660)
Restructuring expense	(3,346)	—
Special adjustments, interest income and other	94	654
Income before income taxes	<u>\$ 14,401</u>	<u>\$ 10,682</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this quarterly report and with our audited consolidated financial statements (and notes thereto) for the year ended December 31, 2020, included in our Annual Report on Form 10-K filed with the SEC. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. All statements in this quarterly report regarding the future impact of COVID-19 are forward-looking in nature and thus subject to the safe harbor provisions described below.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as “may,” “can,” “anticipate,” “assume,” “should,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “seek,” “estimate,” “continue,” “plan,” “point to,” “project,” “predict,” “could,” “intend,” “target,” “potential” and other similar words and expressions of the future.

There are a number of important factors that could cause the actual results to differ materially from those expressed in any forward-looking statement made by us. These factors include, but are not limited to:

- our ability and the time it takes to acquire new customers;
- reduced spending on product design and development activities by our customers;
- our ability to successfully renew our outstanding software licenses;
- our ability to maintain or protect our intellectual property;
- our ability to retain key executive members;
- our ability to internally develop new software products, inventions and intellectual property;
- our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments;
- demand for our software by customers other than simulation engineering specialists and in additional industry verticals;
- acceptance of our enhanced business model by customers and investors;
- our susceptibility to factors affecting the automotive, aerospace and financial services industries where we derive a substantial portion of our revenues;
- the accuracy of our estimates regarding expenses and capital requirements;
- our susceptibility to foreign currency risks that arise because of our substantial international operations;
- the significant quarterly fluctuations of our results; and
- the uncertain effect of COVID-19 or other future pandemics or events on our business, operating results and financial condition, including disruption to our customers, our employees, the global economy and financial markets.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipated in our forward-looking statements. For additional risks which could adversely impact our business and financial performance please see “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on February 26, 2021, and other information appearing elsewhere in our Annual Report on Form 10-K, this report on Form 10-Q and our other filings with the SEC.

All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report or the date of the document incorporated by reference into this report. We have no obligation, and expressly disclaim any obligation, to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise. We have expressed our expectations, beliefs, and projections in good faith, and we believe they have a reasonable basis. However, we cannot assure you that our expectations, beliefs, or projections will result or be achieved or accomplished.

Overview

We are a global technology company providing software and cloud solutions in the areas of simulation, high-performance computing (“HPC”), data analytics, and artificial intelligence (“AI”). We enable organizations across broad industry segments to compete more effectively in a connected world while creating a more sustainable future.

Impact of COVID-19

In March 2020, The World Health Organization declared the outbreak of COVID-19, a pandemic and a public health emergency of international concern. The global spread of COVID-19 has negatively impacted several of the markets we serve, including the automotive and aerospace markets, and has disrupted the business of many of our customers and partners. These disruptions have had an adverse effect on our business and consolidated results of operations and could impact our financial condition in the future.

We are unable to accurately predict the full impact that COVID-19 will have due to numerous uncertainties, including the full scope of the pandemic, the duration of the outbreak, the number and intensity of subsequent waves of infections, actions that may be taken by governmental authorities, the impact to the businesses of our customers and partners, the development of treatments and vaccines, and other factors identified in Part I, Item 1A – Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2020. We will continue to evaluate the nature and extent of the impact to our business, consolidated results of operations, and financial condition.

Factors Affecting our Performance

We believe that our future success will depend on many factors, including those described below. While these areas present significant opportunity, they also present risks that we must manage to achieve successful results. If we are unable to address these challenges, our business, operating results and prospects could be harmed. Please see “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020.

Seasonality and quarterly results

Our billings have historically been highest in the first and fourth quarters of any calendar year and may vary in future quarters. The timing of recording billings and the corresponding effect on our cash flows may vary due to the seasonality of the purchasing and payment patterns of our customers. In addition, the timing of the recognition of revenue, the amount and timing of operating expenses, including employee compensation, sales and marketing activities, and capital expenditures, may vary from quarter-to-quarter which may cause our reported results to fluctuate significantly. In addition, we may choose to grow our business for the long-term rather than to optimize for profitability or cash flows for a particular shorter-term period. This seasonality or the occurrence of any of the factors above may cause our results of operations to vary and our financial statements may not fully reflect the underlying performance of our business.

Integration of recent acquisitions

We believe that our recent acquisitions result in certain benefits, including expanding our portfolio of software and products and enabling us to better serve our customers’ requests for data analytics and simulation technology. However, to realize some of

these anticipated benefits, the acquired businesses must be successfully integrated. The success of these acquisitions will depend in part on our ability to realize these anticipated benefits. We may fail to realize the anticipated benefits of these acquisitions for a variety of reasons.

Foreign currency fluctuations

Because of our substantial international operations, we are exposed to foreign currency risks that arise from our normal business operations, including in connection with our transactions that are denominated in foreign currencies, including the Euro, British Pound Sterling, Indian Rupee, Japanese Yen, and Chinese Yuan. To identify changes in our underlying business without regard to the impact of currency fluctuations, we evaluate certain of our operating results both on an as reported basis, as well as on a constant currency basis.

Business Segments

We have identified two reportable segments: Software and Client Engineering Services:

- *Software* —Our Software segment includes software and software related services. The software component of this segment includes our portfolio of software products including our solvers and optimization technology products, high-performance computing software applications and hardware products, modeling and visualization tools, data analytics and analysis products, IoT platform and analytics tools, as well as support and the complementary software products we offer through our Altair Partner Alliance, or APA. The APA includes technologies ranging from computational fluid dynamics and fatigue, to manufacturing process simulation and cost estimation. The software related services component of this segment includes consulting, implementation services, and training focused on product design and development expertise and analysis from the component level up to complete product engineering at any stage of the lifecycle.
- *Client Engineering Services* —Our client engineering services, or CES, segment provides client engineering services to support our customers with long-term, ongoing expertise. We operate our CES business by hiring engineers and data scientists for placement at a customer site for specific customer-directed assignments. We employ and pay them only for the duration of the placement.

Our other businesses which do not meet the criteria to be separate reportable segments are combined and reported as “Other” which represents innovative services and products, including toggled, our LED lighting business. toggled is focused on developing and selling next-generation solid state lighting technology along with communication and control protocols based on our intellectual property for the direct replacement of fluorescent light tubes with LED lamps. Other businesses combined within Other include potential services and product concepts that are still in development stages.

For additional information about our reportable segments and other businesses, see Note 13 in the Notes to consolidated financial statements in Item 1, Part I of this Quarterly Report on Form 10-Q.

Results of operations

Comparison of the three months ended March 31, 2021 and 2020

The following table sets forth the results of operations and the period-over-period percentage change in certain financial data for the three months ended March 31, 2021 and 2020:

(in thousands)	Three Months Ended March 31,		Increase / (decrease) %
	2021	2020	
Revenue:			
Software	\$ 129,541	\$ 108,443	19%
Software related services	8,098	6,934	17%
Total software and related services	137,639	115,377	19%
Client engineering services	10,677	13,878	(23%)
Other	1,847	2,208	(16%)
Total revenue	150,163	131,463	14%
Cost of revenue:			
Software	16,950	15,978	6%
Software related services	6,122	5,489	12%
Total software and related services	23,072	21,467	7%
Client engineering services	8,888	11,318	(21%)
Other	1,462	1,712	(15%)
Total cost of revenue	33,422	34,497	(3%)
Gross profit	116,741	96,966	20%
Operating expenses:			
Research and development	38,276	31,467	22%
Sales and marketing	32,070	28,099	14%
General and administrative	23,926	22,346	7%
Amortization of intangible assets	4,877	3,840	27%
Other operating income, net	(617)	(891)	(31%)
Total operating expenses	98,532	84,861	16%
Operating income	18,209	12,105	50%
Interest expense	2,973	2,813	6%
Other expense (income), net	835	(1,390)	NM
Income before income taxes	14,401	10,682	35%
Income tax expense	41	4,652	(99%)
Net income	\$ 14,360	\$ 6,030	138%
Other financial information:			
Billings ⁽¹⁾	\$ 145,813	\$ 127,935	14%
Adjusted EBITDA ⁽²⁾	\$ 36,960	\$ 21,672	71%
Net cash provided by operating activities	\$ 36,571	\$ 28,036	30%
Free cash flow ⁽³⁾	\$ 33,532	\$ 26,392	27%

NM Not meaningful.

- (1) Billings consists of our total revenue plus the change in our deferred revenue, excluding deferred revenue from acquisitions. For more information about Billings and our other non-GAAP financial measures and reconciliations of our non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "Non-GAAP financial measures" contained herein.
- (2) We define Adjusted EBITDA as net income (loss) adjusted for income tax expense (benefit), interest expense, interest income and other, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairment charges and other special items as determined by management. For more information about Adjusted EBITDA and our other non-GAAP financial measures and reconciliations of our non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP, see "Non-GAAP financial measures" contained herein.
- (3) We define Free Cash Flow as net cash provided by operating activities less capital expenditures. For a reconciliation of Free Cash Flow, see "Non-GAAP financial measures" contained herein.

Three months ended March 31, 2021 and 2020

Revenue

Total revenue increased by \$18.7 million, or 14%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. The increase was primarily attributable to an increase in software and related services revenue, partially offset by a decrease in CES revenue as a result of the slowdown in economic activity by our customers due to COVID-19.

Software

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Software revenue	\$ 129,541	\$ 108,443	\$ 21,098	19%
As a percent of software segment revenue	94%	94%		
As a percent of consolidated revenue	86%	82%		

The 19% increase in our software revenue for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020, was primarily the result of an increase in software license revenue recognized in the current quarter. The increase was driven by increases across all three geographic regions, and supported by increases in new and expansion business, as well as retention in our renewal base.

Software related services

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Software related services revenue	\$ 8,098	\$ 6,934	\$ 1,164	17%
As a percent of software segment revenue	6%	6%		
As a percent of consolidated revenue	5%	5%		

Software related services revenue increased 17% for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This increase was primarily the result of an increase in customer demand for these services.

Client engineering services

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Client engineering services revenue	\$ 10,677	\$ 13,878	\$ (3,201)	(23%)
As a percent of consolidated revenue	7%	11%		

CES revenue decreased 23% for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This decrease is primarily a result of our CES customers response to COVID-19, including furloughed staff positions and reduced CES staff working hours.

Other

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Other revenue	\$ 1,847	\$ 2,208	\$ (361)	(16%)
As a percent of consolidated revenue	1%	2%		

The 16% decrease in other revenue for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020, was primarily due to reduced sales from toggled, our LED lighting business, driven by COVID-19.

Cost of revenue

Software

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Cost of software revenue	\$ 16,950	\$ 15,978	\$ 972	6%
As a percent of software revenue	13%	15%		
As a percent of consolidated revenue	11%	12%		

Cost of software revenue increased \$1.0 million, or 6%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. The increase in the current year period was primarily attributable to a \$0.8 million increase in stock-based compensation expense.

Software related services

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Cost of software related services revenue	\$ 6,122	\$ 5,489	\$ 633	12%
As a percent of software related services revenue	76%	79%		
As a percent of consolidated revenue	4%	4%		

Cost of software related services revenue increased 12% for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. The increase in the current year expense is consistent with the increase in revenue.

Client engineering services

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Cost of client engineering services revenue	\$ 8,888	\$ 11,318	\$ (2,430)	(21%)
As a percent of client engineering services revenue	83%	82%		
As a percent of consolidated revenue	6%	9%		

Cost of CES revenue decreased 21% for the three months ended March 31, 2021, consistent with the decrease in revenue, as compared to the three months ended March 31, 2020. We have acted in concert with our customers reduced demand to furlough or curtail the hours and compensation of employees until such time as our customers return to normal staffing, billing rates or required working hours.

Other

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Cost of other revenue	\$ 1,462	\$ 1,712	\$ (250)	(15%)
As a percent of other revenue	79%	78%		
As a percent of consolidated revenue	1%	1%		

Cost of other revenue decreased 15%, for the three months ended March 31, 2021, consistent with the decrease in revenue, as compared to the three months ended March 31, 2020.

Gross profit

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Gross profit	\$ 116,741	\$ 96,966	\$ 19,775	20%
As a percent of consolidated revenue	78%	74%		

Gross profit increased by \$19.8 million, or 20%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This increase in gross profit was primarily attributable to the increase in software revenue combined with a relatively smaller increase in cost of revenue.

Operating expenses

Operating expenses, as discussed below, support all the products and services that we provide to our customers and, as a result, they are reported and discussed in the aggregate.

Research and development

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Research and development	\$ 38,276	\$ 31,467	\$ 6,809	22%
As a percent of consolidated revenue	25%	24%		

Research and development expenses increased by \$6.8 million, or 22%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. Employee compensation and related expense increased \$3.9 million, primarily due to increased headcount, stock-based compensation expense increased \$1.8 million and cloud hosting expense increased \$0.6 million. In addition, we had \$1.1 million of restructuring expense in the current year. These increases were partially offset by a reduction in travel costs.

Sales and marketing

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Sales and marketing	\$ 32,070	\$ 28,099	\$ 3,971	14%
As a percent of consolidated revenue	21%	21%		

Sales and marketing expenses increased by \$4.0 million, or 14%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. Employee compensation and related expense increased \$2.8 million, primarily due to increased headcount, stock-based compensation expense increased \$2.7 million, and we had restructuring expense of \$0.9 million in the current year. These increases were partially offset by a \$2.5 million decrease in travel and selling related expense from suspension or cancellation of certain in-person sales and marketing activities as a result of COVID-19.

General and administrative

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
General and administrative	\$ 23,926	\$ 22,346	\$ 1,580	7%
As a percent of consolidated revenue	16%	17%		

General and administrative expenses increased by \$1.6 million, or 7%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. Stock-based compensation expense increased \$1.2 million, and we had restructuring expense of \$0.5 million in the current year.

Amortization of intangible assets

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Amortization of intangible assets	\$ 4,877	\$ 3,840	\$ 1,037	27%
As a percent of consolidated revenue	3%	3%		

Amortization of intangible assets increased by \$1.0 million, or 27%, for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. Amortization of intangible assets in the current year period increased primarily as a result of prior year acquisitions.

Other operating income, net

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Other operating income, net	\$ (617)	\$ (891)	\$ (274)	(31%)
As a percent of consolidated revenue	(—%)	(1%)		

Other operating income, net decreased \$0.3 million for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This decrease was primarily the result of a \$0.5 million decrease in grant income, partially offset by a \$0.3 million decrease in credit loss expense in the current quarter.

Interest expense

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Interest expense	\$ 2,973	\$ 2,813	\$ 160	6%
As a percent of consolidated revenue	2%	2%		

Interest expense increased \$0.2 million for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020, as a result of an increase in the amortization of the debt discount on our convertible notes.

Other expense (income), net

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Other expense (income), net	\$ 835	\$ (1,390)	\$ 2,225	NM
As a percent of consolidated revenue	1%	(1%)		

Other expense (income), net increased by \$2.2 million for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This increase in expense was primarily a result of \$0.9 million in losses from foreign currency fluctuations in the United States dollar relative to other functional currencies during the three months ended March 31, 2021, compared to \$0.7 million of foreign currency gains for the three months ended March 31, 2020. In addition, there was a \$0.6 million decrease in interest income in the current year period due to lower interest rates as compared to the prior year.

Income tax expense

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Income tax expense	\$ 41	\$ 4,652	\$ (4,611)	(99)%

The effective tax rate was 0% and 44% for the three months ended March 31, 2021 and 2020 respectively. The tax rate is affected by the Company being a U.S. resident taxpayer, the tax rates in the U.S. and other jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction and the relative amount of losses or income for which no benefit or expense is recognized due to a valuation allowance. The Company's effective tax rate for the three months ended March 31, 2021 and 2020, also includes net discrete benefit of \$3.6 million and net discrete expense of \$2.0 million, respectively, primarily related to changes in tax laws, withholding taxes on royalties, changes in reserves, changes in accruals for unremitted earnings and other adjustments.

Net income

(in thousands)	Three Months Ended March 31,		Period-to-period change	
	2021	2020	\$	%
Net income	\$ 14,360	\$ 6,030	\$ 8,330	138%

Net income increased by \$8.3 million for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020. This increase in net income was primarily attributable to an \$18.7 million increase in revenue, partially offset by a \$6.5 million increase in stock-based compensation expense, and a \$3.3 million restructuring charge in the current year, as described above.

Non-GAAP financial measures

We monitor the following key non-GAAP (United States generally accepted accounting principles) financial and operating metrics to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. In analyzing and planning for our business, we supplement our use of GAAP financial measures with non-GAAP financial measures, including Billings as a liquidity measure, Adjusted EBITDA as a performance measure and Free Cash Flow as a liquidity measure.

(in thousands)	Three Months Ended	
	March 31,	
	2021	2020
Other financial data:		
Billings	\$ 145,813	\$ 127,935
Adjusted EBITDA	\$ 36,960	\$ 21,672
Free Cash Flow	\$ 33,532	\$ 26,392

Billings. Billings consists of our total revenue plus the change in our deferred revenue, excluding deferred revenue from acquisitions during the period. Given that we generally bill our customers at the time of sale, but typically recognize a portion of the related revenue ratably over time, management believes that Billings is a meaningful way to measure and monitor our ability to provide our business with the working capital generated by upfront payments from our customers.

Adjusted EBITDA. We define Adjusted EBITDA as net income (loss) adjusted for income tax expense (benefit), interest expense, interest income and other, depreciation and amortization, stock-based compensation expense, restructuring charges, asset impairment charges and other special items as determined by management. Our management team believes that Adjusted EBITDA is a meaningful measure of performance as it is commonly utilized by management and the investment community to analyze operating performance in our industry.

Free Cash Flow. Free Cash Flow is a non-GAAP measure that we calculate as cash flow provided by operating activities less capital expenditures. Management believes that Free Cash Flow is useful in analyzing our ability to service and repay debt, when applicable, and return value directly to stockholders.

These non-GAAP financial measures reflect an additional way of viewing aspects of our business that, when viewed with our GAAP results and the accompanying reconciliations to corresponding GAAP financial measures included in the tables below, may provide a more complete understanding of factors and trends affecting our business. These non-GAAP financial measures should not be relied upon to the exclusion of GAAP financial measures and are by definition an incomplete understanding of the Company and must be considered in conjunction with GAAP measures.

We believe that the non-GAAP measures disclosed herein are only useful as an additional tool to help management and investors make informed decisions about our financial and operating performance and liquidity. By definition, non-GAAP measures do not give a full understanding of the Company. To be truly valuable, they must be used in conjunction with the comparable GAAP measures. In addition, non-GAAP financial measures are not standardized. It may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. We strongly encourage investors to review our consolidated financial statements and the notes thereto in their entirety and not to rely on any single financial measure.

Reconciliation of non-GAAP financial measures

The following tables provides reconciliations of revenue to Billings, net income (loss) to Adjusted EBITDA, and net cash provided by operating activities to Free Cash Flow:

Billings

(in thousands)	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 150,163	\$ 131,463
Ending deferred revenue	90,729	80,039
Beginning deferred revenue	(95,079)	(83,567)
Billings	\$ 145,813	\$ 127,935

Adjusted EBITDA

(in thousands)	Three Months Ended March 31,	
	2021	2020
Net income	\$ 14,360	\$ 6,030
Income tax expense	41	4,652
Stock-based compensation expense	9,648	3,171
Interest expense	2,973	2,813
Depreciation and amortization	6,686	5,660
Restructuring expense	3,346	—
Special adjustments, interest income and other	(94)	(654)
Adjusted EBITDA	\$ 36,960	\$ 21,672

Free Cash Flow

(in thousands)	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities	\$ 36,571	\$ 28,036
Capital expenditures	(3,039)	(1,644)
Free cash flow	\$ 33,532	\$ 26,392

Recurring software license rate

A key factor to our success is our recurring software license rate which we measure through Billings, primarily derived from annual renewals of our existing subscription customer agreements. We calculate our recurring software license rate for a particular period by dividing (i) the sum of software term-based license Billings, software license maintenance Billings, and 20% of software perpetual license Billings which we believe approximates maintenance as an element of the arrangement by (ii) the total software license Billings including all term-based subscriptions, maintenance, and perpetual license billings from all customers for that period. For the three months ended March 31, 2021 and 2020, our recurring software license rate was 94% and 93%, respectively. The recurring software license rate may vary from period to period.

Liquidity and capital resources

As of March 31, 2021, our principal sources of liquidity were \$243.4 million in cash and cash equivalents and \$150.0 million availability on our credit facility. We had an outstanding debt in the form of convertible senior notes with a \$230.0 million principal amount as of March 31, 2021.

For more than twenty trading days during thirty consecutive trading days ended March 31, 2021, the last reported sale price of our common stock exceeded 130% of the conversion price of the convertible senior notes. As a result, the convertible senior notes were convertible at the option of the holders on April 1, 2021, and the \$191.1 million carrying amount of the convertible senior notes was classified as a short-term liability as of March 31, 2021, which reduced our net working capital compared to the prior year. We have the ability to settle the convertible notes in cash, shares of our common stock, or a combination of cash and shares of our common stock at our own election. Conversion of the notes by noteholders may cause dilution to the ownership interests of existing stockholders.

We continue to evaluate possible acquisitions and other strategic transactions designed to expand our business. As a result, our expected uses of cash could change, our cash position could be reduced, or we may incur additional debt obligations to the extent we complete additional acquisitions.

Our existing cash and cash equivalents may fluctuate during fiscal 2021, due to changes in our planned cash expenditures, including changes in incremental costs such as direct costs and integration costs related to acquisitions. Cash from operations could also be affected by various risks and uncertainties, including, but not limited to, the effects of COVID-19. It is possible that certain customers may unilaterally decide to extend payments on accounts receivable, however the Company's customer base is comprised primarily of larger organizations with typically strong liquidity and capital resources.

We believe that our existing cash balances, together with funds generated from operations and amounts available under our credit facility, will be sufficient to finance our operations and meet our foreseeable cash requirements for the next twelve months. We also believe that our financial resources, along with managing discretionary expenses, will allow us to manage the impact of COVID-19 on our business operations for the foreseeable future, which could include reductions in revenue and delays in payments from customers and partners. We will continue to evaluate our financial position as developments evolve relating to COVID-19.

Revolving credit facility

We have a \$150.0 million credit facility with a maturity date of December 15, 2023 ("2019 Amended Credit Agreement"). The 2019 Amended Credit Agreement allows us to request that the aggregate commitments under the 2019 Amended Credit Agreement be increased by up to \$50.0 million for a total of \$200.0 million, subject to certain conditions.

As of March 31, 2021, there were no outstanding borrowings under the 2019 Amended Credit Agreement and there was \$150.0 million available for future borrowing. The 2019 Amended Credit Agreement is available for general corporate purposes, including working capital, capital expenditures and permitted acquisitions. As of March 31, 2021, we were in compliance with the financial covenants.

For additional information about the 2019 Amended Credit Agreement, refer to the Company's consolidated financial statements for the year ended December 31, 2020, included in our Annual Report on Form 10-K filed with the SEC on February 26, 2021.

Cash flows

As of March 31, 2021, we had aggregate cash and cash equivalents of \$243.4 million available for working capital purposes, acquisitions, and capital expenditures; \$182.9 million of this aggregate amount was held in the United States and \$52.9 million was held in the APAC and EMEA regions with the remainder held in Canada, Mexico and South America.

Other than statutory limitations, there are no significant restrictions on the ability of our subsidiaries to pay dividends or make other distributions to Altair. Based on our current liquidity needs and repatriation strategies, we expect that we can manage our global liquidity needs without material adverse tax implications. The 2017 changes in U.S. tax law could materially affect our tax obligations. For further discussion, please see our 2020 Annual Report on Form 10-K, "Item 1A. Risk Factors – New legislations or tax-reform policies that would change U.S. or foreign taxation of international business activities, including uncertainties in the interpretation and application of the 2017 Tax Cuts and Jobs Act, could materially affect our tax obligations and effective tax rate.

The following table summarizes our cash flows for the periods indicated:

(in thousands)	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities	\$ 36,571	\$ 28,036
Net cash used in investing activities	(3,451)	(2,015)
Net cash (used in) provided by financing activities	(29,836)	76
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,331)	(2,113)
Net increase in cash, cash equivalents and restricted cash	\$ 1,953	\$ 23,984

Net cash provided by operating activities

Net cash provided by operating activities for the three months ended March 31, 2021 was \$36.6 million, which reflects an increase of \$8.5 million compared to the three months ended March 31, 2020. This increase was the result of an increase in our net income, offset in part by changes to our working capital position for the three months ended March 31, 2021, as compared to the three months ended March 31, 2020.

Net cash used in investing activities

Net cash used in investing activities for the three months ended March 31, 2021 was \$3.5 million, which reflects an increase of \$1.4 million compared to the three months ended March 31, 2020. The increase was primarily the result a \$1.4 million increase in cash payments for capital expenditures as compared to the three months ended March 31, 2020.

Net cash (used in) provided by financing activities

Net cash used in financing activities for the three months ended March 31, 2021 was \$29.8 million, compared to cash provided by financing activities of \$0.1 million for the three months ended March 31, 2020. For the three months ended March 31, 2021, we made a \$30.0 million payment on our revolving credit facility.

Effect of exchange rate changes on cash, cash equivalents and restricted cash

There were adverse effects of exchange rate changes on cash, cash equivalents and restricted cash of \$1.3 million and \$2.1 million for the three months ended March 31, 2021 and 2020, respectively.

Contractual obligations and commitments

For more than twenty trading days during thirty consecutive trading days ended March 31, 2021, the last reported sale price of our common stock exceeded 130% of the conversion price of our convertible senior notes. As a result, the convertible senior notes were convertible at the option of the holders and the \$191.1 million carrying amount of the convertible senior notes was classified as a short-term liability. We may owe additional cash or shares to the note holders upon early conversion if our stock price exceeds \$60.45 per share and we may experience dilution to the ownership interests of existing stockholders.

In January 2021, we repaid the \$30.0 million outstanding balance on our revolving credit facility. There were no other material changes in our commitments under contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

Off-balance sheet arrangements

Through March 31, 2021, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recently issued accounting pronouncements

See Note 2 in the Notes to consolidated financial statements in Item 1, Part I of this Quarterly Report on Form 10-Q for a full description of the recent accounting pronouncements and our expectation of their impact, if any, on our results of operations and financial condition.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain global market risks, including foreign currency exchange risk and interest rate risk primarily associated with our revolving credit facility.

Foreign Currency Risk

As a result of our substantial international operations, we are exposed to foreign currency risks that arise from our normal business operations, including in connection with our transactions that are denominated in foreign currencies. In addition, we translate sales and financial results denominated in foreign currencies into United States dollars for purposes of our consolidated financial statements. As a result, appreciation of the United States dollar against these foreign currencies generally will have a

negative impact on our reported revenue and operating income while depreciation of the United States dollar against these foreign currencies will generally have a positive effect on reported revenue and operating income.

To date, we have not entered into any foreign currency hedging contracts, since exchange rate fluctuations have not had a material impact on our operating results and cash flows. Based on our current international operations, we do not plan on engaging in hedging activities in the near future.

Market Risk and Market Interest Risk

In June 2019, we issued \$230.0 million aggregate principal amount of 0.250% convertible senior notes due 2024. Our Convertible Notes have fixed annual interest rates at 0.250% and, therefore, we do not have economic interest rate exposure on our Convertible Notes. However, the value of the Convertible Notes is exposed to interest rate risk. Generally, the fair market value of our fixed interest rate Convertible Notes will increase as interest rates fall and decrease as interest rates rise. In addition, the fair values of the Convertible Notes are affected by our stock price. The fair value of the Convertible Notes will generally increase as our Class A common stock price increases in value and will generally decrease as our Class A common stock price declines in value. Additionally, we carry the Convertible Notes at face value less unamortized discount and issuance costs on our balance sheet, and we present the fair value for required disclosure purposes only.

As of March 31, 2021, we had cash, cash equivalents and restricted cash of \$243.5 million, consisting primarily of bank deposits and money market funds. As of March 31, 2021, we had no outstanding borrowings under our 2019 Amended Credit Agreement. Such interest-bearing instruments carry a degree of interest rate risk; however, historical fluctuations of interest expense have not been significant.

Interest rate risk relates to the gain/increase or loss/decrease we could incur on our debt balances and interest expense associated with changes in interest rates. Changes in interest rates would impact the amount of interest income we realize on our invested cash balances. It is our policy not to enter into derivative instruments for speculative purposes, and therefore, we hold no derivative instruments for trading purposes.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Exchange Act) that are designed to ensure that information required to be disclosed in periodic reports filed with the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13(a)-15(e) under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2021.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2021, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

As previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, the Company is subject to legal proceedings for which there were no material changes during the three months ended March 31, 2021.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

<u>No.</u>	<u>Description</u>
10.1	Altair Engineering Inc. 2021 Employee Stock Purchase Plan (incorporated by reference to Appendix B to the Registrant's Definitive Proxy Statement on Form DEF 14A filed with the Securities and Exchange Commission on April 9, 2021)
10.2*	Employment Letter dated December 6, 2020, by and between Altair Engineering Inc. and Matthew Brown
10.3*	Executive Severance Agreement dated January 26, 2021, between Altair Engineering Inc. and Matthew Brown
10.4*	Employment Transition and Separation Agreement dated January 15, 2021, between Altair Engineering Inc. and Howard Morof
10.5*	Amended and Restated Executive Severance Agreement dated March 8, 2021, between Altair Engineering Inc. and James Scapa
10.6*	Amended and Restated Executive Severance Agreement dated February 3, 2021, between Altair Engineering Inc. and Gilma Saravia
10.7*	Amended and Restated Executive Severance Agreement dated February 22, 2021, between Altair Engineering Inc. and Amy Messano
10.8*	Amended and Restated Executive Severance Agreement dated February 15, 2021, between Altair Engineering Inc. and Uwe Schramm
10.9*	Amended and Restated Executive Severance Agreement dated January 31, 2021, between Altair Engineering Inc. and Brett Chouinard
31.1*	Certification of the Chief Executive Officer of Altair Engineering Inc. pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended
31.2*	Certification of the Chief Financial Officer of Altair Engineering Inc. pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer of Altair Engineering Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).

* Filed herewith.

** The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

† Exhibit is a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTAIR ENGINEERING INC.

Date: May 6, 2021

By: /s/ James Scapa
James R. Scapa
Chief Executive Officer (Principal Executive Officer)

Date: May 6, 2021

By: /s/ Matthew Brown
Matthew Brown
Chief Financial Officer (Principal Financial Officer)

Date: May 6, 2021

By: /s/ Brian Gayle
Brian Gayle
Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)

CONFIDENTIAL

December 6, 2020

Matt Brown

Dear Matt,

Altair Engineering, Inc. ("Altair" or the "Company") is pleased to extend to you an offer of employment (the "Offer"). We believe that Altair can provide you with a highly competitive compensation package as well as an innovative environment where you will be able to make significant contributions to the success of the Company.

The Offer extended to you under this letter consists of the following, in each case, subject to applicable withholdings and deductions:

Base Salary	<p>\$400,000 annually</p> <p>To be eligible for a merit increase, you must be employed with Altair for at least one year of continuous service before you will be eligible for a merit consideration. After one year of service, your base salary will be reviewed from time to time in accordance with Altair practice.</p>
Variable Compensation	<p>You will be eligible to participate in the Company's executive bonus compensation pool ("Executive Bonus Pool"). Your target annual bonus compensation will be 50% of Base Salary (approximately \$200,000).</p> <p>Such annual bonus shall be paid at such time or times as bonuses are paid to similarly situated senior executives of the Company participating in the Executive Bonus Pool, subject to your continued employment through the date of payment. For clarification purposes only, the Company's Executive Bonus Pool (variable component of an executive's total compensation) is tied to one or more performance targets set for the whole Company (currently Adjusted EBITDA – but can be changed by the Company in its sole discretion), and is balanced between and amongst each executive participating in the Executive Bonus Pool and their own individual performance. The amount of the bonus that an executive may receive can be lower or higher than their annual target based on the fact the Company may miss, reach or even go beyond the performance target set for the Company. The amount of the bonus can also be impacted by individual performance against individual goals. Notwithstanding the foregoing, there is no guaranteed minimum value on the bonus.</p>
New Hire Equity Inducement Grant - Altair Restricted Stock Units	<p>On the date of grant specified below, Altair will grant to you 25,000 restricted stock units ("RSUs"), subject to the terms and conditions of Altair's 2017 Equity Incentive Plan, Altair's standard restricted stock unit grant agreement and the severance agreement referred to below. Your RSUs shall vest in equal amounts annually over 4 years, subject to your continued service with Altair through the applicable vesting date. The date of grant will be the later of January 4, 2021 or your first date of employment.</p>

EXHIBIT 10.2

New Hire Equity Inducement Grant - Altair Stock Options	On the date of grant specified below, Altair will grant to you 45,000 incentive stock options ("ISOs") or nonstatutory stock options ("NSOs"), subject to the terms and conditions of Altair's 2017 Equity Incentive Plan, Altair's standard stock option grant agreement and the severance agreement referred to below. Your ISOs or NSOs shall vest in equal amounts annually over 4 years, subject to your continued service with Altair through the applicable vesting date. The date of grant will be the later of January 4, 2021 or your first date of employment. The exercise price of the options will be the closing sale price of Altair's Class A Common Stock on Nasdaq on the date of grant.
Car Allowance	\$600 per month
Paid Time Off	4 weeks per year
Holidays	Please see the Summary of Benefits for more information.
Medical, Rx, Dental, Vision	Available through Blue Cross Blue Shield of Michigan – please see the enclosed Summary of Benefits. Effective upon commencement of your employment with Altair.
Disability, Life and AD&D	Provided by Altair. Effective upon commencement of your employment with Altair.
401(k)	Open enrollment on the first day of each month. For 2021, eligible participants are currently expected to be eligible to receive a matching contribution from Altair equal to 50% of the first \$2,000 contributed to the Plan by the participant plus (ii) 25% of employee contributions in excess of \$2,000, up to a total of \$4,000 in incremental employee contributions to the Plan by the participant, provided the participant is employed by Altair on the last day of the year.
Executive Severance Agreement	You will be offered an Executive Severance Agreement, which we believe is positive and aligns with the Company's success and goals. The severance agreement will provide that in connection with a termination of employment by you for "good reason" or by the Company or its successor without "cause" (a " Qualifying Termination "), (i) if the Company undergoes a Change in Control (as defined in the severance agreement) and you incur a Qualifying Termination that occurs following the entrance by the Company into definitive documentation governing a Change in Control through the one year anniversary of such Change in Control, vesting of all of your unvested stock options and restricted stock units will be immediately accelerated, and (ii) your severance period will be twelve months if there is a Qualifying Termination within the first year of employment, your severance period will be six months if there is a Qualifying Termination after the first year of employment and prior to the commencement of your seventh year of employment and your severance period thereafter will be six months plus one month for each subsequent year of employment up to a maximum severance period of twelve months, provided that in all instances the severance period will be twelve months if there is a Qualifying Termination that occurs following the entrance by the Company into definitive documentation governing a Change in Control through the one year anniversary of such Change in Control. As we have advised you, the Company is currently reviewing the definition of "good reason".

EXHIBIT 10.2

Indemnification Agreement	You will be offered an Indemnification Agreement comparable to the indemnification agreements provided to Altair's other executive officers.
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Commencing on January 1, 2021, your title will be Senior Vice President – Finance and you will report to the Company's Chief Financial Officer. Effective as of the sooner of the current Chief Financial Officer's termination of employment or the close of business on March 16, 2021, your title will be changed to Chief Financial Officer and you will report to James Scapa, Altair's Founder, Chairman, and CEO. You will work out of the Company's Sunnyvale, California offices (subject to arrangements made to respond to the pending pandemic).

To accept this Offer, please sign and return this letter and the enclosed Non-Disclosure & Intellectual Property Rights Agreement. In accepting this Offer, you represent and warrant that you are not under any non-compete restrictions, restrictive covenants, or other restrictive agreements (collectively "Restriction") with your current employer or any former employer. If there is a Restriction in place with your current or former employer, you are required to provide Altair with a copy of a written release from said employer and return it with the signed letter.

This Offer is contingent upon Altair's confirmation that you are not subject to any Restriction and that you are legally authorized to work in the United States. You also acknowledge that in accepting this Offer you agree to indemnify Altair for any claim of any kind resulting from any Restriction.

By signing below, you affirm that the information provided on your resume is true and complete. You understand that any false information, misrepresentations, or omissions - oral or written - may disqualify you from further consideration for employment and may result in discipline or dismissal if discovered at a later date. By accepting this Offer, you understand that Altair's Offer of employment to you is "at will". This means you are free to leave Altair at any time and Altair has the right to change your job position or compensation or terminate your employment at any time.

You authorize Altair to investigate all statements contained in your application and/or resume, including records of any former employers, police departments, and other references or sources concerning you. You authorize all such references and sources (and the Company) to release this information without liability for damage resulting from such release.

We look forward to a successful and mutually beneficial relationship. Please call me if you have any questions.

Sincerely,

Gilma Saravia
Chief People Officer
Altair Engineering, Inc.

Enclosures:

Non-Disclosure & Intellectual Property Rights Agreement
Summary of Benefits
Indemnification Agreement

By signature below, the undersigned acknowledges and agrees to the forgoing terms and conditions associated with the offer of employment extended by Altair pursuant to this letter.

Signature: /s/ Matthew

Brown

December 6, 2020

Matt Brown

Date

EXECUTIVE SEVERANCE AGREEMENT

THIS EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this “Agreement”), dated as of the 26th day of January, 2021 (the “Effective Date”), is entered into by and between Altair Engineering Inc., a Delaware corporation (the “Company”), and Matthew Brown (the “Executive”).

WITNESSETH:

WHEREAS, the Executive currently serves as a key employee of the Company and the Executive’s services and knowledge are valuable to the Company;

WHEREAS, the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to provide enhanced severance protections to the Executive, subject to the terms and conditions of this Agreement;

WHEREAS, the Committee has recommended to the Board that it authorize the Company to enter into this Agreement; and

WHEREAS, the Board has authorized the Company to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. **TERMINATION WITHOUT CAUSE OR FOR GOOD REASON.** If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive’s employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a “Qualifying Termination”), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company’s normal payroll practices, an amount equal to the Executive’s “Annual Rate of Base Salary” (as defined below), for the duration of the Severance Period (as defined below) (the “Salary Continuation Payments”). “Annual Rate of Base Salary” shall mean the Executive’s annual base salary rate in effect immediately prior to the Qualifying Termination or, in the event of a resignation for Good Reason as a result of a material diminution in the

Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the numerator of which is the number of business and non-business days in the Termination Year

that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to consummation of such Change in Control, if such Change in Control has not been terminated or abandoned as of the date of such Qualifying Termination, or (ii) on or within one (1) year following the occurrence of a Change in Control, all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested; provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), or 1(e) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) "Cause" shall mean the Executive's: (i) continuing failure or refusal to perform the services and duties of the Executive's position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of the Company; (iv) acts which, in the judgement of the Board of Directors of the Company, would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the

terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement executed by the Executive (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof.

The Executive is required to provide the Company’s CEO and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) prior to the first anniversary of the Executive’s commencement of employment with the Company, twelve (12) months, (ii) between the second anniversary of the Executive’s commencement of employment and the seventh anniversary of the Executive’s commencement of employment, six (6) months, and (iii) after the seventh anniversary of the Executive’s commencement of employment, one (1) month for each full year of continuous employment with the Company or its subsidiaries since the Executive’s date of hire, but in no event greater than twelve (12) months. Notwithstanding the foregoing, the Severance Period shall be twelve (12) months in the case of a Qualifying Termination that occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to consummation of such Change in Control, if such Change in Control has not been terminated or abandoned as of the date of such Qualifying Termination, or (ii) on or within one (1) year following the occurrence of a Change in Control.

3. **GOLDEN PARACHUTE LIMITATION.** Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the "Payments") would be treated as an "excess parachute payment," as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive's receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company's legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the "Firm"), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the "Release"), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. COVENANTS. The Executive acknowledges that the Executive's continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into this Agreement but for the covenants (the "Restrictive Covenants") contained in this Section 6. The Executive acknowledges and agrees that this Section 6 is intended to be an expansion of any and all obligations, covenants and agreements by the Executive with respect to the subject matter hereof and, to the extent of any conflict with this Section 6, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company's trade secrets under seal; and (ii) does not disclose the Company's trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive's name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company's business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a "Competitor"). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term "Restricted Period" means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive's employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive's authority, or hire or engage any such

individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(d) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(e) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(e)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(f) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(g) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific performance in the form of injunctive relief would be an adequate remedy for the Company. If the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual

damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(h) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. **WITHHOLDING TAXES.** The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. **SCOPE OF AGREEMENT.** Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. **CLAIMS PROCEDURE**

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of business. The Executive or his or her duly authorized representative may review pertinent documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road
Troy, Michigan 48083
Attn: Chief Executive Officer and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's termination and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for

purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By:/s/ Raoul Maitra__

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ Matthew Brown

Name: Matthew Brown

EMPLOYMENT TRANSITION AND SEPARATION AND GENERAL RELEASE AGREEMENT

This Employment Transition and Separation and General Release Agreement ("Agreement") is made as of the 15th day of January, 2021 by and between **HOWARD MOROF**, a resident of the State of Michigan ("EMPLOYEE"), and **ALTAIR ENGINEERING INC.**, a Delaware corporation, including all of its subsidiaries and affiliates ("EMPLOYER").

WHEREAS, EMPLOYEE and EMPLOYER are parties to an employment letter agreement dated as of July 19, 2017 (the "Letter Agreement"); and

WHEREAS, EMPLOYEE and EMPLOYER are also parties to a Non-Disclosure Agreement dated as of January 23, 2013 (the "Non-Disclosure Agreement") which is incorporated by reference in the Letter Agreement; and

WHEREAS, EMPLOYER and EMPLOYEE have agreed that EMPLOYEE will cease to be employed by EMPLOYER as of the close of business on March 16, 2021, that the cessation of such employment shall be treated as a termination of EMPLOYEE's employment by EMPLOYER without Cause for purposes of the Letter Agreement, and that EMPLOYEE will cooperate with and assist in the transition of his duties between the date hereof and the date on which EMPLOYEE ceases to be employed by EMPLOYER; and

WHEREAS, for purposes of this Agreement, the close of business on March 16, 2021 shall be the "Separation Date" unless the EMPLOYEE's employment is terminated sooner as provided herein, in which case such last day of employment will be the Separation Date,

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, the receipt and adequacy of which the parties acknowledge, it is agreed as follows:

1. **Transition Period.** During the time period between the date hereof and the anticipated Separation Date (the "Transition Period"), EMPLOYEE shall remain a full-time employee of EMPLOYER and shall continue to receive his regular base salary and benefits in accordance with the Letter Agreement. EMPLOYEE agrees to continue to perform his duties as requested and to cooperate in transitioning his duties to his successor or other designees at the direction of EMPLOYER. EMPLOYEE agrees to conduct himself professionally and appropriately during the Transition Period. Notwithstanding the foregoing, EMPLOYER reserves the right to terminate the EMPLOYEE's employment and not to provide the Severance (as defined herein) in the event that EMPLOYEE engages in conduct that would constitute Cause under the terms of the Letter Agreement, in which case the applicable terms of the Letter Agreement shall control in said instance. As of the Separation Date, EMPLOYEE resigns from any

and all officer, director, manager or similar positions with EMPLOYER. EMPLOYER shall promptly endeavor to remove EMPLOYEE from such positions, and further, shall promptly remove EMPLOYEE as an authorized representative or signatory of EMPLOYER on any and all bank and investments accounts wherever located. EMPLOYEE'S final paycheck shall include a full payout of all accrued and unpaid PTO through the Separation Date. EMPLOYER will also reimburse EMPLOYEE for all expenses incurred by EMPLOYEE that have been submitted prior to the Separation Date, in accordance with EMPLOYER's customary policies. EMPLOYER and EMPLOYEE acknowledge and agree that (i) as of the date hereof EMPLOYEE has 177 hours of accrued and unpaid PTO as of end of calendar year 2020, (ii) EMPLOYEE shall be eligible to earn 32.87 hours of PTO between January 1, 2021 and the Separation Date, and (iii) EMPLOYEE's aggregate amount of accrued and unpaid PTO as of the Separation Date shall equal (A) the sum of (1) the amount in clause (i) of this sentence, and (2) the amount of PTO earned pursuant to clause (ii), less (B) the amount of PTO used by EMPLOYEE between the date hereof and the Separation Date.

2. **Employee Release.** EMPLOYEE agrees to, and hereby does, fully and forever release and discharge EMPLOYER as well as EMPLOYER's past, present and future parent organizations, subsidiaries and other affiliated entities, related companies and divisions and each of their respective past, present and future officers, directors, employees, shareholders, trustees, members, partners, attorneys and agents (in each case, individually and in their official capacities) and each of their respective employee benefit plans (and such plans' fiduciaries, agents, administrators and insurers, individually and in their official capacities), as well as any predecessors, future successors or assigns or estates of any of the foregoing (the "Released Parties") from any and all claims existing as of the date that EMPLOYEE signs and returns this Agreement, of whatever type under any of the following: the Fair Labor Standards Act, 29 U.S.C. Section 201, et seq.; the Age Discrimination in Employment Act, 29 U.S.C. Section 621, et seq.; Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000e et seq., as amended by the Civil Rights Act of 1991; The Civil Rights Act of 1866, 42 U.S.C. Section 1981; the National Labor Relations Act, 29 U.S.C. Section 151, et seq.; The Rehabilitation Act of 1973, 29 U.S.C. Section 701, et seq.; The Americans with Disabilities Act; The Older Workers Benefit Protection Act, 29 U.S.C. Section 626(f); the Family and Medical Leave Act, Federal Executive Order 11246; the Employee Retirement and Income Security Act of 1974 29 U.S.C. 1001 et seq; the Michigan Elliot-Larson Civil Rights Act; the Michigan Persons with Disabilities Act, and/or any other federal, state or local statute, law, ordinance, regulation or order relating to employment, compensation, fringe benefits, termination of employment, re-employment, or discrimination in employment, harassment, retaliation, or contract (whether oral, written, express and implied), promissory estoppel, any tort claims, fraud, negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel or slander; negligence; assault; battery; invasion of privacy; personal injury; compensatory or punitive damages, or any other claim for damages or injury of any kind whatsoever, or for attorneys fees which are

recoverable in connection with such claims or causes of action, or for to any non-vested ownership interest in EMPLOYER, contractual or otherwise, including, but not limited to, claims to stock, restricted stock units or stock options that are not otherwise accelerated pursuant to this Agreement. This general release of claims includes any and all claims arising up to and including the date that EMPLOYEE signs and returns this Agreement, which EMPLOYEE either has or may have against the Released Parties, whether such claims are known or unknown, suspected or unsuspected, asserted or unasserted, disclosed or undisclosed. By signing this Agreement, EMPLOYEE expressly waives any right to assert that any such claim, demand, obligation or cause of action has, through ignorance or oversight, been omitted from the scope of this release and further waives any rights under statute or common law principles that otherwise prohibits the release of unknown claims.

This general release of claims by EMPLOYEE does not apply to, waive or affect: any rights or claims that may arise after the date EMPLOYEE signs and returns this Agreement; any claim for workers' compensation benefits (but it does apply to, waive and affect claims of discrimination and/or retaliation on the basis of having made a workers' compensation claim); claims for unemployment benefits or any other claims or rights that by law cannot be waived in a private agreement between an employer and employee; or EMPLOYEE's rights to any vested benefits to which EMPLOYEE is entitled under the terms of this Agreement or the applicable employee benefit plan . ***This general release of claims also does not apply to, waive, affect, limit or interfere with any preserved rights contained in this Agreement.*** (the "Excluded Claims")

3. **Payments Upon Separation of Employment.** Provided (a) EMPLOYEE timely signs, returns and does not revoke his acceptance of this Agreement; (b) meets all of the material covenants required during the Transition Period; (c) timely signs, returns and does not revoke the Reaffirmation annexed hereto as Exhibit A; and (d) complies with all of the material terms of this Agreement, EMPLOYER will provide EMPLOYEE (or his executor) with all of the following benefits (all, collectively, the "Severance"):

(a) Continuation of EMPLOYEE's regular base salary, equal to the annual sum of \$325,000.00, in biweekly installments for twelve months, commencing on the next regular pay date after the effectiveness of the Reaffirmation;

(b) An amount equal to any accrued and unpaid Profit and Growth Bonus for 2020 on such date said amount would otherwise be due and payable, to the extent not previously paid to EMPLOYEE;

(c) A cash amount equal to the pro-rated Profit and Growth Bonus that EMPLOYEE would have received for 2021 based upon the number of days EMPLOYEE was employed during the 2021 calendar year divided by 365, to be calculated based upon EMPLOYEE's average Profit and Growth Bonus paid for calendar years 2019 and

2020, solely to the extent each such Profit and Growth Bonus was paid in cash, payable in a lump sum on the date that similarly situated executives whose employment has not been terminated receive their 2021 bonuses, but in no event later than March 15, 2022;

(d) Provided EMPLOYEE timely elects COBRA and continues to be eligible to receive COBRA coverage, EMPLOYER will pay the EMPLOYEE's and his spouse's COBRA premiums for EMPLOYER medical, dental, and vision employee benefit programs, on the same basis as his current joint spousal coverage election, through the twelve-month anniversary of EMPLOYEE's Separation Date; and

(e) any outstanding Options and Restricted Stock Units held by EMPLOYEE under (and as defined in) EMPLOYER's 2017 Equity Incentive Plan shall vest upon the effectiveness of the Reaffirmation, to the extent such Options and Restricted Stock Units would have vested had EMPLOYEE remained employed with EMPLOYER through the one-year anniversary of the Separation Date.

The payments under this Section 3 shall be (i) made in accordance with the EMPLOYER's customary payroll practices, and (ii) subject to all applicable federal and state withholding, payroll and other taxes. EMPLOYEE understands and agrees that he is not entitled to receive any additional payments or benefits except for the Severance set forth herein.

4. **COBRA Benefits.** EMPLOYER will provide EMPLOYEE with information regarding his/her rights under the Consolidated Omnibus Reconciliation Act of 1996 (COBRA), as amended, which EMPLOYEE may elect at his own expense (subject to Section 3(d)).

5. **Confidentiality.** The terms and conditions of any confidentiality and or intellectual property rights agreements, including but not limited to the Non-Disclosure Agreement (referred to herein "Confidentiality Agreement") signed as a condition of employment at EMPLOYER shall survive the termination of EMPLOYEE's employment with EMPLOYER and the execution of this Agreement. EMPLOYEE hereby understands and agrees that EMPLOYEE shall not directly or indirectly communicate, use, disseminate, or disclose any information learned by him/her about the nature and conduct of EMPLOYER's business, which is not generally known to the general public. Notwithstanding the foregoing, nothing herein prohibits EMPLOYEE from exercising his protected rights under federal, state or local law to, without notice to EMPLOYER: (i) communicate or file a charge with a government regulator, (ii) participate in an investigation or proceeding conducted by a government regulator, or (iii) receive an award paid by a government regulator for providing information.

6. **Non-Interference.** Nothing in this Agreement is intended to limit or impair in any way EMPLOYEE's right to participate in the processing of a charge before the Equal Employment Opportunity Commission, Michigan Department of Civil Rights or Texas Commission on Human Rights. However, the Parties agree that appropriate

relief may not include remedies that personally benefit EMPLOYEE and which EMPLOYEE has released and waived under this Agreement, including all legal relief, equitable relief, statutory relief, reinstatement, back pay, and front pay, and all other damages, benefits, remedies, or relief that EMPLOYEE may be entitled to as a result of the filing or prosecution of any such charge against EMPLOYER. If any claim is not subject to release, to the extent permitted by law, EMPLOYEE waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which EMPLOYER or any other releasee identified in this Agreement is a party.

7. **Return of Altair-Related Information and Property.** EMPLOYEE covenants, represents and warrants that as of his last day of employment, he will return to EMPLOYER all information, excluding such information that is in the public domain, and property of EMPLOYER. This includes all EMPLOYER data in any format, such as documents, electronic files and tangible things, including but not limited to, computers and related peripheral equipment, cell phones, diskettes, thumb drives, hard drives and other storage medium containing EMPLOYER information as well as all other information in EMPLOYEE's possession that is protected by EMPLOYEE's Confidentiality Agreement including all customer information. EMPLOYEE also covenants, represents and warrants that as of his last day of employment, EMPLOYEE will not retain copies of any EMPLOYER documents, materials or information (whether in hardcopy, on electronic media or otherwise), excluding such documents, materials or information that are in the public domain. EMPLOYEE also agrees that EMPLOYEE will disclose to EMPLOYER all passwords necessary or desirable to enable EMPLOYER to access all information which EMPLOYEE has password-protected on any of its computer equipment or on its computer network or system.

8. **No Pending Claims; Covenant Not to Sue.** EMPLOYEE represents and warrants that he has no charges, lawsuits, or actions pending in his name against any of the Released Parties relating to any claim that has been released in this Agreement. EMPLOYEE also represents and warrants that he has not assigned or transferred to any third party any right or claim against any of the Released Parties that EMPLOYEE has released in this Agreement. Except as permitted herein, EMPLOYEE covenants and agrees that he will not report, institute or file a charge, lawsuit or action (or encourage, solicit, or voluntarily assist or participate in, the reporting, instituting, filing or prosecution of a charge, lawsuit or action by a third party) against any of the Released Parties with respect to any claim that has been released in this Agreement.

9. **Cooperation.** EMPLOYEE agrees at all times to be reasonably cooperative, by providing truthful information, documents and testimony, in any EMPLOYER investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during his employment with EMPLOYER, and to assist in any transition-related matters during the period he is receiving the Severance. EMPLOYEE's requested cooperation may include, for example, making himself reasonably available to consult with EMPLOYER's counsel or financial or accounting professionals, providing truthful

information and documents, and to appear to give truthful testimony, and shall include providing resignation, transfer and related documents related to EMPLOYER property. Nothing in this section is intended to, and shall not, preclude or limit EMPLOYEE's preserved rights described herein. To the extent that EMPLOYEE'S cooperation after the Separation Date requires more than a *de minimis* time commitment, EMPLOYER shall pay EMPLOYEE at an hourly rate of \$250 and fully reimburse EMPLOYEE for all reasonable, pre-approved costs and expenses incurred, in accordance with EMPLOYER's expense reimbursement policies (other than attorneys' fees).

10. **Non-Disparagement.** EMPLOYEE agrees that he will not at any time make any disparaging or derogatory statements concerning EMPLOYER or its business, products and services. However, nothing in this section is intended to, and shall not, restrict or limit EMPLOYEE from exercising his preserved rights described herein or restrict or limit EMPLOYEE from providing truthful information in response to a subpoena, other legal process or valid governmental inquiry, upon prompt written notice to EMPLOYER of his receipt of such legal process. EMPLOYER agrees to instruct its senior management not to make any disparaging or derogatory statements concerning EMPLOYEE.

11. **Execution.** EMPLOYEE acknowledges that EMPLOYER has provided him/her with twenty-one (21) days to consider this Agreement, including, without limitation, with respect to the legal, financial, and tax consequences of this Agreement, and to consult with counsel of his/her choosing even if he/she elects to sign this Agreement within that twenty-one (21) day period. By signing earlier, EMPLOYEE expressly and voluntarily waives any remainder of the 21-day consideration period. EMPLOYEE may revoke and cancel the Agreement by delivering written notice of revocation within seven (7) days after signing this Agreement to:

Michelle Smith, VP-Human Resources,
Altair Engineering Inc.,
1820 East Big Beaver Road, Troy MI 48083
Phone: 248-614-2400 x 275
Email: michelle@altair.com

This Agreement is not effective until the 8th day after EMPLOYEE signs and returns this Agreement to EMPLOYER. In the event of a timely revocation, this Agreement will become null and void.

12. **Agreement Binding.** The benefits, including the Release contained in Section 2 above, and duties arising hereunder inure to the benefit of EMPLOYER and each of its officers, directors, shareholders, agents, servants, employees, contractors, representatives, attorneys, successors, partners, assigns, assignors, executors and trustees.

13. **Assignment.** Other than by death, the rights and obligations of EMPLOYEE to the payment of Severance, as set forth herein, or any other amounts under this Agreement shall not be assigned, transferred, pledged or encumbered in any manner without the written consent of EMPLOYER.

14. **Merger.** This Agreement and the other agreements, instruments and documents executed pursuant to or in connection herewith, contain all the covenants, promises, agreements, conditions, representations and understandings between the parties hereto, and supersede any prior agreements between the parties hereto with respect to EMPLOYEE's employment, compensation, termination of employment, and the subject matter hereof and thereof, other than the Confidentiality Agreement and any non-competition, non-solicitation, non-disparagement, protection of confidential information, or other restrictive covenant to which EMPLOYER and EMPLOYEE were a party or by which EMPLOYEE was bound. EMPLOYEE acknowledges and agrees that the obligations set forth in Sections 5, 7, 9, and 10 of this Agreement are intended to be an expansion of any current obligations, covenants and agreements by EMPLOYEE with respect to the subject matter thereof and, to the extent of any conflict, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. There are no covenants, promises, agreements, conditions, representations or understandings, either oral or written, between the parties hereto, other than those set forth herein or provided for herein, with respect to the subject matter hereof.

15. **Miscellaneous.** This Agreement shall be governed and interpreted according to the laws of the State of Michigan, without regard to the conflict of law provisions thereof. No provision of this Agreement shall be construed against or interpreted to the disadvantage of EMPLOYER by any arbitrator, Court or other governmental authority by reason of EMPLOYER having or being deemed to have dictated or drafted such provision.

16. **Severability.** Should any covenant, condition, term or provision of this Agreement be deemed to be illegal, or if the application thereof to any person or in any circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such covenant, condition, term or provision to persons or in circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby; and each covenant, condition, term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. **Arbitration.** EMPLOYER AND EMPLOYEE AGREE THAT ANY CLAIM OR DISPUTE BETWEEN THEM OR AGAINST THE OTHER OR ANY AGENT OR EMPLOYEE OF THE OTHER, WHETHER RELATED TO THE EMPLOYMENT RELATIONSHIP OR OTHERWISE, INCLUDING THOSE CREATED BY PRACTICE, COMMON LAW, COURT DECISION, OR STATUTE, NOW EXISTING OR CREATED LATER, INCLUDING ANY RELATED TO ALLEGATIONS OF VIOLATIONS OF STATE

OR FEDERAL STATUTES RELATED TO DISCRIMINATION, AND ALL DISPUTES ABOUT THE VALIDITY OF THIS ARBITRATION CLAUSE, OR ANY OTHER MATTER OR THING SHALL BE RESOLVED IN A CONFIDENTIAL MANNER BY NEUTRAL BINDING ARBITRATION BY THE AMERICAN ARBITRATION ASSOCIATION, UNDER THE RULES OF PROCEDURE IN EFFECT AT THE TIME ANY CLAIM IS MADE, THEREBY AGREEING TO WAIVE ANY RIGHT TO A TRIAL BY JURY. ALL SUCH ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN OAKLAND COUNTY, MICHIGAN. EACH PARTY SHALL PAY ITS OWN COSTS OF ARBITRATION. FEES PAID ARE SUBJECT TO THE AWARD OF FEES, AS PROVIDED BY LAW AND ARBITRATION RULES. THIS AGREEMENT IS SUBJECT TO THE FEDERAL ARBITRATION ACT AND ANY AWARD OF THE ARBITRATOR(S) MAY BE ENTERED AS A JUDGMENT IN ANY COURT OF COMPETENT JURISDICTION. BY SIGNING THIS AGREEMENT, THE PARTIES ARE GIVING UP ANY RIGHT THEY MIGHT HAVE TO SUE EACH OTHER. NOTWITHSTANDING THE FOREGOING PROVISIONS, EMPLOYER WILL BE ENTITLED TO SEEK INJUNCTIVE RELIEF AGAINST THE BREACH OR THREATENED BREACH OF ANY OF THE PROVISIONS OF THE CONFIDENTIALITY AGREEMENT IN A COURT OF COMPETENT JURISDICTION PRIOR TO, DURING AND/OR AFTER SUCH ARBITRATION PROCEEDINGS.

18. **Non-Admission.** The parties understand and agree that this Agreement does not constitute an admission by either EMPLOYER or EMPLOYEE of any violation of law and further understand and agree that neither the signing of this Agreement nor the furnishing of consideration shall be deemed or construed for any purposes as evidence or an admission of liability or wrongful conduct of any kind.

19. **Section 409A.** All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). As used in this Agreement, the "Code" means the Internal Revenue Code of 1986, as amended. To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, EMPLOYER reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to EMPLOYEE shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of EMPLOYEE's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of EMPLOYEE's termination and the first such payment shall include the

cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may EMPLOYEE, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during EMPLOYEE's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. In no event whatsoever shall EMPLOYER be liable for any additional tax, interest or penalty that may be imposed on EMPLOYEE by Section 409A or damages for failing to comply with Section 409A.

IN WITNESS WHEREOF, each of the parties has signed this Agreement as of the day and year first above written.

EMPLOYEE:

/s/ Howard N. Morof

Howard Morof

EMPLOYER:

Altair Engineering Inc.

a Delaware corporation

By: /s/ Michelle Smith

Michelle Smith

Its: Vice President Human Resources

This Reaffirmation must be executed and returned to Altair, Engineering, Inc. on or within five days following the Separation Date to Receive the Severance

REAFFIRMATION OF AGREEMENT AND RELEASE

1. Capitalized terms used but not defined in this Reaffirmation shall have the meaning set forth in the Agreement dated January 15, 2021 between EMPLOYER and Howard Morof ("Morof"), to which this Reaffirmation is attached (the "Agreement").
2. Morof hereby affirms the validity of the releases set forth in the Agreement and all other provisions of the Agreement. Morof also affirms that he is not in default of any provision of the Agreement. Morof affirms that the Agreement is complete, true, accurate, valid and in full force and effect as of the date below.
3. In consideration of and subject to the terms described in the Agreement, Morof hereby unconditionally and irrevocably releases, waives, discharges and gives up, to the full extent permitted by law, any and all claims that Morof may have against any of the Released Parties, arising on or prior to the date of Morof's execution and delivery of this Reaffirmation to EMPLOYER. This releases all claims including those of which Morof is not aware and those not mentioned in the Agreement or this Reaffirmation. Morof specifically releases any and all claims arising out of Morof's employment relationship with EMPLOYER or separation therefrom. Nothing herein constitutes a release or waiver of any Excluded Claims.
4. **Morof is hereby advised and encouraged by EMPLOYER to consult with his own independent counsel before signing this Reaffirmation.** Morof represents and warrants that he (i) has had sufficient opportunity to consider this Reaffirmation, (ii) has read this Reaffirmation, (iii) understands all the terms and conditions hereof, (iv) is not incompetent or had a guardian, conservator or trustee appointed for him, (v) has entered into this Reaffirmation of his own free will and volition, (vi) has duly executed and delivered this Reaffirmation, (vii) has been advised and encouraged by EMPLOYER to consult with his own independent counsel before signing this Reaffirmation, including, without limitation, with respect to the legal, financial, and tax consequences hereof, (viii) has had the opportunity to review this Reaffirmation with counsel of his choice or has chosen voluntarily not to do so, (ix) understands that he has been given more than 21 days to review this Reaffirmation before signing this Reaffirmation, (x) understands that if he does not sign and return this Reaffirmation to the Company within the time frame provided, he shall not be entitled to receive the Severance, and (xi) understands that this Reaffirmation is valid, binding, and enforceable against his in accordance with its terms.

Morof may revoke and cancel this Reaffirmation by delivering written notice of revocation within seven (7) days after signing this Agreement to:

Michelle Smith, VP-Human Resources,
Altair Engineering Inc.,
1820 East Big Beaver Road, Troy MI 48083
Phone: 248-614-2400 x 275
Email: michelle@altair.com

This Reaffirmation is not effective until the eighth day after Morof signs and returns it to EMPLOYER. In the event of a timely revocation, this Reaffirmation will become null and void.

Agreed to and accepted on this _____ day of _____, 2021

Howard Morof

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this "Agreement"), dated as of the 8th day of March, 2021 (the "Effective Date"), is entered into by and between Altair Engineering Inc., a Delaware corporation (the "Company"), and James Scapa (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive and the Company previously entered into that certain Executive Severance Agreement, entered into by and between the Company and Executive, dated as of August 15, 2020 (the "Prior Severance Agreement");

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to amend and restate the Prior Severance Agreement, in accordance with the terms and conditions of this Agreement;

WHEREAS, the Committee has authorized the Company to enter into this Agreement; and

WHEREAS, the Executive and the Company desire to amend and restate the Prior Severance Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. **TERMINATION WITHOUT CAUSE OR FOR GOOD REASON.** If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive's employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a "Qualifying Termination"), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company's normal payroll practices, an amount equal to the Executive's "Annual Rate of Base Salary" (as defined below), for the duration of the Severance Period (as defined below) (the "Salary Continuation Payments"). "Annual Rate of Base Salary" shall mean the Executive's annual base salary rate in effect immediately prior to the Qualifying Termination

or, in the event of a resignation for Good Reason as a result of a material diminution in the Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the

numerator of which is the number of business and non-business days in the Termination Year that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control or (y) termination or abandonment of such Change in Control or (ii) on or within one (1) year following the occurrence of a Change in Control all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested, provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if (x) the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control and (y) the Company's obligations hereunder are assumed by such purchaser (or such affiliate), or such purchaser (or such affiliate) substitutes an alternative arrangement providing the Executive severance benefits substantially similar to those provided hereunder, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), or 1(e) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) "Cause" shall mean the Executive's: (i) continuing failure or refusal to perform the services and duties of the Executive's position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of

the Company; (iv) acts which, in the judgement of the Board of Directors of the Company, would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement attached as Exhibit A hereto (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof or more than 50 miles from the Company’s offices in Sunnyvale, California; provided, however, following a Change in Control, Executive shall have Good Reason under this clause (c)(iii) if Executive’s principal place of employment is moved more than 50 miles from the Company’s offices in Sunnyvale, California.

The Executive is required to provide the Company’s Board of Directors and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) in the case of a Qualifying Termination other than a Qualifying Termination described in clause (ii) of this sentence, one (1) month for each full year of continuous employment with the Company or its subsidiaries since the Executive’s most recent date of hire, but in no event greater than twelve (12) months, and (ii) twelve (12) months, in the case of a Qualifying Termination that occurs (A) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control, or (y) termination or abandonment of such Change in Control, or (B) on or within one (1) year following the occurrence of a Change in Control.

3. **GOLDEN PARACHUTE LIMITATION.** Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the "Payments") would be treated as an "excess parachute payment," as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive's receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company's legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the "Firm"), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the "Release"), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. COVENANTS. The Executive acknowledges that the Executive's continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into this Agreement but for the covenants (the "Restrictive Covenants") contained in this Section 6. The Executive acknowledges and agrees that this Section 6 is intended to be an expansion of any and all obligations, covenants and agreements by the Executive with respect to the subject matter hereof and, to the extent of any conflict with this Section 6, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company's trade secrets under seal; and (ii) does not disclose the Company's trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive's name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company's business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a "Competitor"). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term "Restricted Period" means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive's employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive's authority, or hire or engage any such

individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) As a condition to this Agreement, you are required to sign and return the Non-Disclosure & Intellectual Property Rights Agreement.

(d) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(e) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(f) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(f)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(g) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(h) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific performance in the form of injunctive relief would be an adequate remedy for the Company. If

the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(i) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. **WITHHOLDING TAXES.** The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. **SCOPE OF AGREEMENT.** Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. **CLAIMS PROCEDURE**

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of business. The Executive or his or her duly authorized representative may review pertinent

documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby, including, without limitation, the Prior Severance Agreement. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road
Troy, Michigan 48083

Attn: Board of Directors and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's termination and the first such payment shall include the cumulative amount of any payments

(without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same

counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By: /s/ Raoul Maitra

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ James Scapa

James Scapa

Exhibit A

Non-Disclosure & Intellectual Property Rights Agreement

[To be attached.]

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this "Agreement"), dated as of the 3rd day of February, 2021 (the "Effective Date"), is entered into by and between Altair Engineering Inc., a Delaware corporation (the "Company"), and Gilma Saravia (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive and the Company previously entered into that certain Executive Severance Agreement, entered into by and between the Company and Executive, dated as of August 15, 2020 (the "Prior Severance Agreement");

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to amend and restate the Prior Severance Agreement, in accordance with the terms and conditions of this Agreement;

WHEREAS, the Committee has authorized the Company to enter into this Agreement; and

WHEREAS, the Executive and the Company desire to amend and restate the Prior Severance Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. TERMINATION WITHOUT CAUSE OR FOR GOOD REASON. If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive's employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a "Qualifying Termination"), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company's normal payroll practices, an amount equal to the Executive's "Annual Rate of Base Salary" (as defined below), for the duration of the Severance Period (as defined below) (the "Salary Continuation Payments"). "Annual Rate of Base Salary" shall mean

the Executive's annual base salary rate in effect immediately prior to the Qualifying Termination or, in the event of a resignation for Good Reason as a result of a material diminution in the Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the

year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the numerator of which is the number of business and non-business days in the Termination Year that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control or (y) termination or abandonment of such Change in Control or (ii) on or within one (1) year following the occurrence of a Change in Control all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested, provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if (x) the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control and (y) the Company's obligations hereunder are assumed by such purchaser (or such affiliate), or such purchaser (or such affiliate) substitutes an alternative arrangement providing the Executive severance benefits substantially similar to those provided hereunder, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), or 1(e) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) "Cause" shall mean the Executive's: (i) continuing failure or refusal to perform the services and duties of the Executive's position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the

Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of the Company; (iv) acts which, in the judgement of the Board of Directors of the Company, would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement executed by the Executive (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof.

The Executive is required to provide the Company’s CEO and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) in the case of a Qualifying Termination other than a Qualifying Termination described in clause (ii) of this sentence, one (1) month for each full year of continuous employment with the Company or its subsidiaries since the Executive’s most recent date of hire, but in no event greater than twelve (12) months, and (ii) twelve (12) months, in the case of a Qualifying Termination that occurs (A) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control, or (y) termination or abandonment of such Change in Control, or (B) on or within one (1) year following the occurrence of a Change in Control.

3. **GOLDEN PARACHUTE LIMITATION.** Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the "Payments") would be treated as an "excess parachute payment," as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive's receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company's legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the "Firm"), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the "Release"), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. COVENANTS. The Executive acknowledges that the Executive's continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into this Agreement but for the covenants (the "Restrictive Covenants") contained in this Section 6. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company's trade secrets under seal; and (ii) does not disclose the Company's trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive's name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company's business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a "Competitor"). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term "Restricted Period" means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive's employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive's authority, or hire or engage any such individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier,

licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(d) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(e) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(e)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(f) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(g) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific performance in the form of injunctive relief would be an adequate remedy for the Company. If the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts

payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(h) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. **WITHHOLDING TAXES.** The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. **SCOPE OF AGREEMENT.** Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. **CLAIMS PROCEDURE**

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of business. The Executive or his or her duly authorized representative may review pertinent documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an

extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby, including, without limitation, the Prior Severance Agreement. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road
Troy, Michigan 48083
Attn: Chief Executive Officer and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's termination and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for

purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By: /s/ Raoul Maitra

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ Gilma Saravia

Gilma Saravia

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this “Agreement”), dated as of the 22nd day of February, 2021 (the “Effective Date”), is entered into by and between Altair Engineering Inc., a Delaware corporation (the “Company”), and Amy Messano (the “Executive”).

W I T N E S S E T H:

WHEREAS, the Executive and the Company previously entered into that certain Executive Severance Agreement, entered into by and between the Company and Executive, dated as of August 16, 2020 (the “Prior Severance Agreement”);

WHEREAS, the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to amend and restate the Prior Severance Agreement in accordance with the terms and conditions of this Agreement;

WHEREAS, the Committee has authorized the Company to enter into this Agreement; and

WHEREAS, the Executive and the Company desire to amend and restate the Prior Severance Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. TERMINATION WITHOUT CAUSE OR FOR GOOD REASON. If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive’s employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a “Qualifying Termination”), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company’s normal payroll practices, an amount equal to the Executive’s “Annual Rate of Base Salary” (as defined below), for the duration of the Severance Period (as defined below) (the “Salary Continuation Payments”). “Annual Rate of Base Salary” shall mean

the Executive's annual base salary rate in effect immediately prior to the Qualifying Termination or, in the event of a resignation for Good Reason as a result of a material diminution in the Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the

year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the numerator of which is the number of business and non-business days in the Termination Year that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control or (y) termination or abandonment of such Change in Control or (ii) on or within one (1) year following the occurrence of a Change in Control all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested, provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

(g) To the extent not theretofore already vested, one hundred percent (100%) of the Executive's then-outstanding and unvested restricted stock unit awards in the Company will become vested.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if (x) the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control and (y) the Company's obligations hereunder are assumed by such purchaser (or such affiliate), or such purchaser (or such affiliate) substitutes an alternative arrangement providing the Executive severance benefits substantially similar to those provided hereunder, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), 1(e), or 1(g) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) “Cause” shall mean the Executive’s: (i) continuing failure or refusal to perform the services and duties of the Executive’s position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of the Company; (iv) acts which, in the judgement of the Board of Directors of the Company, would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement executed by the Executive (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof.

The Executive is required to provide the Company’s CEO and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) four (4) months prior to the first anniversary of the Executive’s commencement of employment with the Company, (ii) between the first anniversary of the Executive’s commencement of employment and the third anniversary of the Executive’s commencement of employment, three (3) months, and (iii) after the third anniversary of the Executive’s commencement of employment, one (1) month per year

of service with the Company or its subsidiaries, up to twelve (12) months. Notwithstanding the foregoing, in the event of a Change in Control, from and after the occurrence of such Change in Control until the one (1) year anniversary of the Change in Control, the Severance Period shall be twelve (12) months.

3. **GOLDEN PARACHUTE LIMITATION.** Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the "Payments") would be treated as an "excess parachute payment," as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive's receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company's legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the "Firm"), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the "Release"), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts

payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. COVENANTS. The Executive acknowledges that the Executive's continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into this Agreement but for the covenants (the "Restrictive Covenants") contained in this Section 6. The Executive acknowledges and agrees that this Section 6 is intended to be an expansion of any and all obligations, covenants and agreements by the Executive with respect to the subject matter hereof and, to the extent of any conflict with this Section 6, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company's trade secrets under seal; and (ii) does not disclose the Company's trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive's name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company's business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a "Competitor"). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term "Restricted Period" means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive's employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at

or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive's authority, or hire or engage any such individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(d) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(e) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(e)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(f) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(g) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific

performance in the form of injunctive relief would be an adequate remedy for the Company. If the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(h) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. WITHHOLDING TAXES. The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. SCOPE OF AGREEMENT. Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. CLAIMS PROCEDURE

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of

business. The Executive or his or her duly authorized representative may review pertinent documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby including, without limitation, Schedule A of that certain offer letter from Michelle Smith to the Executive dated October 16, 2018 and the Prior Severance Agreement. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road

Troy, Michigan 48083
Attn: Chief Executive Officer and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of any such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's

termination and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same

counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By: /s/ Raoul Maitra

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ Amy Messano

Amy Messano

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this “Agreement”), dated as of the 15th of February, 2021 (the “Effective Date”), is entered into by and between Altair Engineering Inc., a Delaware corporation (the “Company”), and Uwe Schramm (the “Executive”).

WITNESSETH:

WHEREAS, the Executive and the Company previously entered into that certain Executive Severance Agreement, entered into by and between the Company and Executive, dated as of August 16, 2020 (the “Prior Severance Agreement”);

WHEREAS, the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to amend and restate the Prior Severance Agreement, in accordance with the terms and conditions of this Agreement;

WHEREAS, the Committee has authorized the Company to enter into this Agreement; and

WHEREAS, the Executive and the Company desire to amend and restate the Prior Severance Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. **TERMINATION WITHOUT CAUSE OR FOR GOOD REASON.** If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive’s employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a “Qualifying Termination”), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company’s normal payroll practices, an amount equal to the Executive’s “Annual Rate of Base Salary” (as defined below), for the duration of the Severance Period (as defined below) (the “Salary Continuation Payments”). “Annual Rate of Base Salary” shall mean the Executive’s annual base salary rate in effect immediately prior to the Qualifying Termination

or, in the event of a resignation for Good Reason as a result of a material diminution in the Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the

numerator of which is the number of business and non-business days in the Termination Year that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control or (y) termination or abandonment of such Change in Control or (ii) on or within one (1) year following the occurrence of a Change in Control all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested, provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if (x) the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control and (y) the Company's obligations hereunder are assumed by such purchaser (or such affiliate), or such purchaser (or such affiliate) substitutes an alternative arrangement providing the Executive severance benefits substantially similar to those provided hereunder, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), or 1(e) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) "Cause" shall mean the Executive's: (i) continuing failure or refusal to perform the services and duties of the Executive's position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of the Company; (iv) acts which, in the judgement of the Board of Directors of the Company,

would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement executed by the Executive (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof.

The Executive is required to provide the Company’s CEO and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) in the case of a Qualifying Termination other than a Qualifying Termination described in clause (ii) of this sentence, one (1) month for each full year of continuous employment with the Company or its subsidiaries since the Executive’s most recent date of hire, but in no event greater than twelve (12) months, and (ii) twelve (12) months, in the case of a Qualifying Termination that occurs (A) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control, or (y) termination or abandonment of such Change in Control, or (B) on or within one (1) year following the occurrence of a Change in Control.

3. GOLDEN PARACHUTE LIMITATION. Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the “Payments”) would be treated as an “excess

parachute payment,” as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive’s receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the “Reduced Amount” shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company’s legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the “Firm”), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the “Release”), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company’s obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company’s obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. **COVENANTS.** The Executive acknowledges that the Executive’s continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into

this Agreement but for the covenants (the “Restrictive Covenants”) contained in this Section 6. The Executive acknowledges and agrees that this Section 6 is intended to be an expansion of any and all obligations, covenants and agreements by the Executive with respect to the subject matter hereof and, to the extent of any conflict with this Section 6, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive’s protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company’s trade secrets to the Executive’s attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company’s trade secrets under seal; and (ii) does not disclose the Company’s trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive’s name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company’s business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a “Competitor”). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term “Restricted Period” means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive’s employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive’s authority, or hire or engage any such individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier,

licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(d) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(e) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(e)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(f) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(g) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific performance in the form of injunctive relief would be an adequate remedy for the Company. If the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts

payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(h) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. **WITHHOLDING TAXES.** The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. **SCOPE OF AGREEMENT.** Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. **CLAIMS PROCEDURE**

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of business. The Executive or his or her duly authorized representative may review pertinent documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an

extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby, including, without limitation, the prior Severance Agreement. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road
Troy, Michigan 48083
Attn: Chief Executive Officer and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's termination and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for

purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By: /s/ Raoul Maitra

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ Uwe Schramm

Uwe Schramm

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT (as amended, restated, or otherwise modified from time to time, this “Agreement”), dated as of the 31st day of January, 2021 (the “Effective Date”), is entered into by and between Altair Engineering Inc., a Delaware corporation (the “Company”), and Brett Chouinard (the “Executive”).

W I T N E S S E T H:

WHEREAS, the Executive and the Company previously entered into that certain Executive Severance Agreement, entered into by and between the Company and Executive, dated as of August 15, 2020 (the “Prior Severance Agreement”);

WHEREAS, the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to amend and restate the Prior Severance Agreement, in accordance with the terms and conditions of this Agreement;

WHEREAS, the Committee has authorized the Company to enter into this Agreement; and

WHEREAS, the Executive and the Company desire to amend and restate the Prior Severance Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

1. TERMINATION WITHOUT CAUSE OR FOR GOOD REASON. If, during the period commencing on the Effective Date and ending on (but including) the one-year anniversary of a Change in Control, (i) the Executive’s employment is terminated by the Company without Cause (as defined below), or (ii) the Executive resigns employment for Good Reason (as defined below) (each, a “Qualifying Termination”), then subject to Section 3 and Section 4 below:

(a) The Company will pay to the Executive within thirty (30) days of the date of the Qualifying Termination (or on such earlier date as is required by applicable law), (i) any accrued but unpaid base salary amounts, (ii) any accrued but unused vacation pay, and (iii) any unreimbursed business expenses incurred prior to the date of the Qualifying Termination. In addition, the Company will pay to the Executive any earned but unpaid annual performance award for the prior fiscal year at the time such annual performance awards are payable to employees of the Company generally, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(b) The Company will continue to pay to the Executive, in equal installments in accordance with the Company’s normal payroll practices, an amount equal to the Executive’s “Annual Rate of Base Salary” (as defined below), for the duration of the Severance Period (as defined below) (the “Salary Continuation Payments”). “Annual Rate of Base Salary” shall mean

the Executive's annual base salary rate in effect immediately prior to the Qualifying Termination or, in the event of a resignation for Good Reason as a result of a material diminution in the Executive's annual base salary rate, the Executive's annual base salary rate in effect immediately prior to the reduction that gave rise to the grounds for Good Reason.

The Salary Continuation Payments shall commence with the first payroll date following the effectiveness of the Release required by Section 4 hereof, with the first payment to include the amount of all Salary Continuation Payments that would have been paid from the date of the Qualifying Termination had they commenced as of such date; provided, however, in the event the period to consider and, if applicable, revoke the Release plus the first regular payroll date thereafter spans two calendar years, the first such payment shall be made on the later of the first regular payroll date of such second calendar year or the first payroll date following the effectiveness of the Release, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Qualifying Termination occurs.

(c) If, at the time of the Qualifying Termination, the Executive participates in the Company's medical and/or dental plans and the Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then the Company shall reimburse the Executive for the healthcare continuation payments under COBRA actually made by the Executive for the coverage period beginning on the day following the Termination Date and ending on the earliest of: (i) the last day of the Severance Period (which for avoidance of doubt shall be no greater than twelve (12) months); (ii) the date the Executive becomes eligible to obtain alternate healthcare coverage from a new employer; and (iii) the date the Executive becomes ineligible for COBRA (the "COBRA Assistance"). The Executive agrees to immediately inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer. The Executive also agrees to remit to the Company on a monthly basis and within thirty (30) days of the date of payment, paid invoices for each such monthly COBRA premium for which the Executive seeks reimbursement pursuant to this Section 2(c) and such reimbursement (to the extent required pursuant to this Section 2(c)) shall be made to the Executive within thirty (30) days following the Executive's delivery to the Company of each such invoice. Notwithstanding anything to the contrary set forth in this Section 2(c), if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not (x) exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or (y) cause a violation of Section 409A.

(d) The Company will pay to the Executive a lump sum cash payment, payable within thirty (30) days following the effectiveness of the Release (as defined in Section 4 below), in an amount equal to (i) the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs (the "Termination Year") or, (ii) if the Qualifying Termination occurs following a Change in Control, the greater of (A) the amount of the annual bonus the Executive would have received for the Termination Year, had the Executive's employment not terminated (assuming maximum achievement of any individual and corporate performance goals), or (B) the target amount of the Executive's annual bonus for the calendar year prior to the

year in which the Change in Control occurred, in each case, (1) multiplied by a fraction, the numerator of which is the number of business and non-business days in the Termination Year that the Executive was employed by the Company and the denominator of which is 365, and (2) less any advance received by the Executive with respect to the Executive's annual bonus for the Termination Year. For purposes of clause (i) of the immediately preceding sentence, if no target bonus amount has been determined for the Termination Year as of the date of the Qualifying Termination, the target amount of the Executive's annual bonus for the calendar year immediately preceding such Termination Year shall be substituted for the target amount of the Executive's annual bonus for the year in which the Qualifying Termination occurs.

(e) If such Qualifying Termination occurs (i) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control or (y) termination or abandonment of such Change in Control or (ii) on or within one (1) year following the occurrence of a Change in Control all outstanding Options and Restricted Stock Units held by the Executive under (and as each defined in) the Plan, or any successor equity incentive plan maintained by the Company, shall be fully and immediately vested, to the extent not previously vested, provided, however, no such vesting shall occur to the extent it would result in an "additional tax" under Section 409A.

(f) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits, if any, required to be paid or provided under any employee benefit plan, program or policy of the Company through the date of the Qualifying Termination or as a result of the termination of the Executive's employment, such vested benefits to be paid or provided in accordance with the terms of the applicable plan, program or policy in effect from time to time.

Notwithstanding anything contained in this Agreement to the contrary, (i) in the event of a Change in Control referenced in clause (iii) of the definition of Change in Control in the Plan (i.e., an asset purchase transaction), the Executive's employment with the Company shall not be deemed to have been terminated if (x) the Executive becomes employed by the purchaser (or any affiliate thereof) immediately on or following the closing of such transaction on terms substantially similar to the terms of employment immediately prior to the Change in Control and (y) the Company's obligations hereunder are assumed by such purchaser (or such affiliate), or such purchaser (or such affiliate) substitutes an alternative arrangement providing the Executive severance benefits substantially similar to those provided hereunder, and (ii) if, on the date the Executive's employment terminates, facts and circumstances exist that would have justified a termination for Cause, and such facts and circumstances are discovered after such termination, from and after the date of such discovery the Executive shall automatically cease to be eligible for any amount pursuant to Sections 1(b), 1(c), 1(d), or 1(e) hereof.

2. CERTAIN DEFINED TERMS. For purposes of this Agreement, the following definitions shall apply:

(a) "Cause" shall mean the Executive's: (i) continuing failure or refusal to perform the services and duties of the Executive's position; (ii) gross negligence, dishonesty, breach of fiduciary duty or breach of any other duty owed to the Company; (iii) the commission by the

Executive of any act of fraud, embezzlement or substantial disregard of the rules or policies of the Company; (iv) acts which, in the judgement of the Board of Directors of the Company, would tend to generate significant adverse publicity towards the Company; (v) the commission or plea of nolo contendere, by the Executive of a felony; or (vi) a breach by the Executive of the terms of the Non-Disclosure and Intellectual Proprietary Rights Agreement attached as Exhibit A hereto (the “Non-Disclosure and Intellectual Proprietary Rights Agreement”).

(b) “Change in Control” shall have the meaning given such term in the Plan.

(c) “Good Reason” shall mean the occurrence of any of the following events without the Executive’s written consent: (i) a material diminution in the nature or scope of the Executive’s responsibilities, duties or authority; provided, however, following a Change in Control, Executive shall not have Good Reason under this clause (c)(i) if there is not a material diminution in Executive’s responsibilities, duties or authority with respect to the operations or business theretofore performed by the Company and its subsidiaries, even if (x) there is a material diminution in Executive’s responsibilities, duties or authority with respect to other parts of the operations or business of the acquiring entity and/or (y) there is a change in the person to whom Executive directly reports; (ii) a material diminution in the Executive’s annual base salary rate, unless applied in substantially equal or pro-rata fashion across the other similar “C” level executives of the Company; or (iii) a change in the geographic location where the Executive is required to perform services or at which the Executive is principally employed to a geographic location more than 50 miles from the Executive’s principal place of employment as of the date hereof.

The Executive is required to provide the Company’s CEO and General Counsel with written notice of the Good Reason condition within ninety (90) days of the initial existence of the condition, and the Company shall have thirty (30) days from receipt of such written notice to remedy the condition (the “Cure Period”). If the condition is not remedied within the Cure Period, the Executive must terminate employment with the Company within sixty (60) days of the end of the Cure Period for such termination to be for “Good Reason,” and if the Executive does not terminate employment within sixty (60) days after the end of the Cure Period, Good Reason with respect to that condition shall be deemed irrevocably waived.

(d) “Plan” shall mean the Company’s 2017 Equity Incentive Plan, as may be amended, restated, or otherwise modified from time to time.

(e) “Severance Period” shall mean a period equal to (i) in the case of a Qualifying Termination other than a Qualifying Termination described in clause (ii) of this sentence, one (1) month for each full year of continuous employment with the Company or its subsidiaries since the Executive’s most recent date of hire, but in no event greater than twelve (12) months, and (ii) twelve (12) months, in the case of a Qualifying Termination that occurs (A) following the entrance by the Company into definitive documentation governing a Change in Control (including, without limitation, a purchase and sale agreement or merger agreement) but prior to (x) consummation of such Change in Control, or (y) termination or abandonment of such Change in Control, or (B) on or within one (1) year following the occurrence of a Change in Control.

3. **GOLDEN PARACHUTE LIMITATION.** Notwithstanding anything herein to the contrary, to the extent any amount to be paid or benefit to be provided to the Executive pursuant to this Agreement or otherwise (collectively, the "Payments") would be treated as an "excess parachute payment," as that phrase is defined in Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the Payments shall be either: (a) paid or allowed in full; or (b) reduced (but not below zero) to the Reduced Amount, whichever of the foregoing amounts, taking into account the applicable federal, state and local income, employment and excise taxes (including, without limitation, the excise tax imposed upon the Executive under Section 4999 of the Code) results in the Executive's receipt on an after tax basis of the greater amount of Payments. For purposes of this section, the "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of all Payments without causing any Payment to be nondeductible by the Company because of Section 280G of the Code or subjecting the Executive to an excise tax under Section 4999 of the Code. The Company may elect which and how much of the Payments shall be eliminated or reduced and shall notify the Executive promptly of such election. Any determination required under this Section 3 will be made in writing by the Company's legal counsel or independent public accountants immediately prior to a Change of Control or such other person or entity which the Company may select in its sole discretion (the "Firm"), whose determination will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 3, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs charged by the Firm in connection with any calculations contemplated by this Section 3.

4. **RELEASE REQUIRED.** Any amounts payable or benefits provided pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) shall only be payable if (a) the Executive executes and delivers to the Company (and does not revoke) a general release of claims in form and substance satisfactory to the Company in its sole discretion (the "Release"), and (b) such Release becomes irrevocable within sixty (60) days following the date of the Qualifying Termination.

5. **FULL SETTLEMENT; NO MITIGATION.** The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be in lieu of and in full settlement of all other severance or similar payments to the Executive under any other severance or employment agreement between the Executive and the Company, any severance plan of the Company and any statutory entitlement (including notice of termination, termination pay and/or severance pay). The Company's obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment, except as otherwise provided in Section 1(c).

6. COVENANTS. The Executive acknowledges that the Executive's continued employment with the Company will provide the Executive with access on a continual basis to confidential and proprietary information concerning the Company and its subsidiaries and affiliates which is not readily available to the public and that the Company would not enter into this Agreement but for the covenants (the "Restrictive Covenants") contained in this Section 6. The Executive acknowledges and agrees that this Section 6 is intended to be an expansion of any and all obligations, covenants and agreements by the Executive with respect to the subject matter hereof and, to the extent of any conflict with this Section 6, the provisions which are more expansive, including, without limitation, with respect to scope and duration, shall apply. The Company and the Executive acknowledge and agree that nothing in this Agreement is intended to, and this Agreement shall not, in any way prohibit, limit or otherwise interfere with the Executive's protected rights under federal, state or local law to, without notice to the Company: (i) communicate or file a charge with a government regulator; (ii) participate in an investigation or proceeding conducted by a government regulator; or (iii) receive an award paid by a government regulator for providing information. The Executive further understands and acknowledges that if the Executive files a lawsuit for retaliation against the Company related to the Executive reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use such trade secret information in the related court proceeding, so long as the Executive: (i) files any document containing the Company's trade secrets under seal; and (ii) does not disclose the Company's trade secrets, except pursuant to court order.

(a) Non-Competition. In consideration of the enhanced severance protections and other consideration provided to the Executive pursuant to this Agreement, during the Restricted Period (as defined below), the Executive shall not, directly or indirectly, either for the Executive or any other person, own, manage, control, materially participate in, invest in, loan money to, permit the Executive's name to be used by, act as consultant or advisor to, be employed by, render services for (alone or in association with any person, firm, corporation or other business organization) or otherwise assist in any manner any business which is a competitor of or is in the same or substantially similar line of business as a portion of the Company's business or of the business of any subsidiary of the Company, or any other business which the Company or any subsidiary of the Company had taken material steps toward conducting in which the Executive had any involvement (collectively, a "Competitor"). Notwithstanding the forgoing, nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the equity securities of a Competitor that is publicly traded, so long as the Executive has no active participation in the business of such Competitor. For purposes hereof, the term "Restricted Period" means the period commencing on the Effective Date and ending, unless tolled in accordance with this Section 6, on the one (1) year anniversary of the termination of the Executive's employment with the Company for any reason (or no reason).

(b) Non-Solicitation. During the Restricted Period, the Executive shall not, directly or indirectly, (i) induce or attempt to induce or aid others in inducing anyone working at or providing services to the Company or any subsidiary of the Company (or anyone who worked at or provided services to the Company at any time during the twelve (12) month period preceding such inducement or aid) to cease working at the Company or any such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary of the Company and any such person except in the proper exercise of the Executive's authority, or hire or engage any such

individual, or (ii) in any way, interfere with the relationship between the Company or any subsidiary of the Company, on the one hand, and any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company (or any customer, supplier, licensee or other business relation of the Company or any subsidiary of the Company within the preceding twelve (12) month period), on the other hand.

(c) As a condition to this Agreement, you are required to sign and return the Non-Disclosure & Intellectual Property Rights Agreement.

(d) Cooperation. The Executive agrees that following the Executive's execution of this Agreement, at the Company's request, the Executive shall provide reasonable assistance and advise the Company in any investigation which may be performed by the Company or any governmental agency and any litigation in which the Company may become involved. Such assistance shall include the Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints or other reasonable business or personal constraints that the Executive may have. The Company shall reimburse the Executive for reasonable expenses, such as telephone, travel, lodging and meal expenses, and reasonable attorney's fees, incurred by the Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses.

(e) Scope. If, at the time of enforcement of this Section 6, a court of competent jurisdiction shall hold that the duration, scope, area or other restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the stated duration, scope, area or other restrictions shall be reduced to the maximum duration, scope, area or other restrictions permitted under such circumstances.

(f) Tolling of Restricted Period. The Restricted Period shall be extended for an amount of time equal to the time period during which a court of competent jurisdiction determines that the Executive was in violation of any provision of Section 6(a) or 6(b) and shall continue (but shall not be extended (other than pursuant to this Section 6(f)) through any action, suit or proceedings arising out of or relating to Section 6(a) or (b)).

(g) Survival; No Defense. This Section 6 shall survive any termination or expiration of this Agreement or the Executive's employment with the Company. The existence or assertion of any claim of or by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants contained in this Section 6.

(h) Reasonableness; Injunction. The Executive acknowledges and agrees that (i) the Executive has had an opportunity to seek advice of counsel in connection with this Agreement, (ii) the Restrictive Covenants are reasonable in scope and in all other respects, (iii) any violation of the Restrictive Covenants will result in irreparable injury to the Company, (iv) money damages would be an inadequate remedy at law for the Company in the event of a breach or threatened breach of any of the Restrictive Covenants by the Executive, and (v) specific performance in the form of injunctive relief would be an adequate remedy for the Company. If

the Executive breaches or threatens to breach a Restrictive Covenant, the Company shall be entitled, in addition to all other remedies, to seek an injunction restraining any such breach, without any bond or other security being required and without the necessity of showing actual damages. Without limitation of the foregoing, in the event the Executive breaches a Restrictive Covenant or any provision of the Non-Disclosure and Intellectual Proprietary Rights Agreement, in any material respect, the Company shall have the right to cease providing any amounts payable pursuant to this Agreement (other than amounts payable pursuant to Section 1(a) or Section 1(f) of this Agreement) and promptly upon demand from the Company, the Executive shall return any such amount previously received, in each case, without payment of consideration therefor; the return (or forfeiture, as applicable) of such amounts shall not be deemed an election of remedies precluding the further exercise of remedies.

(i) Notwithstanding anything herein to the contrary, Sections 6(a) and Section 6(b) shall not apply if the Executive's principal place of employment or other service is located in the State of California.

7. **WITHHOLDING TAXES.** The Company may withhold from all payments due to the Executive hereunder all taxes which, by applicable federal, state, local or other law or regulation (including foreign law or regulation), the Company is required to withhold therefrom.

8. **SCOPE OF AGREEMENT.** Nothing in this Agreement shall be deemed to alter the "at-will" nature of the Executive's employment or entitle the Executive to continued employment with the Company.

9. **CLAIMS PROCEDURE**

(a) If the Executive believes that he or she is entitled to payment of an amount under this Agreement, the Executive must file a written claim for such benefit with the Committee at the Company's then principal place of business. The claim will be processed in accordance with the procedures of this Section 9.

(b) Upon receipt of a claim for a benefit, the Committee shall advise the Executive that a decision will be forthcoming within ninety (90) days and shall, in fact, deliver such decision within such period. The Committee may, however, extend this period for an additional ninety (90) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within ninety (90) days after receipt of the claim. If the claim is denied in whole or in part, the Committee shall adopt a written decision, using language calculated to be understood by the Executive, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description for any additional material or information necessary for the Executive to perfect his or her claim and an explanation of why such material or such information is necessary; and (iv) appropriate information (including any applicable time limits) as to the steps to be taken if the Executive wishes to appeal the denial of the claim.

(c) Within sixty (60) days after the receipt by the Executive of the written decision described above, the Executive may request in writing that the Committee review the decision. Such request must be addressed to the Committee at the Company's then principal place of business. The Executive or his or her duly authorized representative may review pertinent

documents that relate to the claim. If the Executive does not request a review of the Committee's determination within such sixty (60) day period, he or she shall be barred and estopped from challenging the Committee's decision.

(d) Within sixty (60) days after the Committee's receipt of a request for review, it will review the decision and make its determination on review. The Committee may, however, extend the review period for an additional sixty (60) days if special circumstances require an extension of time and written notice of the extension is given to the Executive within sixty (60) days after receipt of the written request for review. After considering all materials presented by the Executive, the Committee will provide its written determination on review. If the Committee's determination on review is to deny the claim in any respect, the written determination shall set forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; and (iii) a statement that the Executive shall be provided upon request and free of charge reasonable access to and copies of all documents, records and other information relating to the claim.

(e) The Committee shall have the power and sole discretion to construe, interpret and apply the provisions of this Agreement, and to determine any questions of fact which may arise under this Agreement.

10. GENERAL PROVISIONS.

(a) Expenses. The Company and the Executive shall bear their own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous agreements, negotiations and discussions between the parties hereto and/or their respective counsel and representatives with respect to the subject matter covered hereby, including, without limitation the Prior Severance Agreement. Each party acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein. No subsequent agreement, promise or statement not contained in this Agreement shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

(c) Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, faxed, or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, in the case of faxed notice, upon transmission of the fax, in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

If to the Company to:

Altair Engineering Inc.
1820 East Big Beaver Road
Troy, Michigan 48083

Attn: Chief Executive Officer and General Counsel

With a copy to:

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Peter H. Ehrenberg, Esq.

If to the Executive, to the Executive at the offices of the Company with a copy to the Executive at the Executive's home address, set forth in the records of the Company.

Any person named above may designate another address or fax number by giving notice in accordance with this Section to the other persons named above.

(d) Governing Law; Jurisdiction. Any and all actions or controversies arising out of this Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to any choice of law or conflicting provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Delaware to be applied. Any and all actions arising out of this Agreement shall be brought and heard in the federal courts for the Eastern District of Michigan, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such court. **THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

(e) Compliance with Code Section 409A. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the date of the Executive's termination and the first such payment shall include the cumulative amount of any payments

(without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(f) Unfunded and Unsecured Status. To the extent that the Executive becomes entitled to receive any payments from the Company hereunder, such right shall be unfunded and unsecured and payable out of the general assets of the Company as and when such amounts are payable hereunder.

(g) Waiver. Either party may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

(h) Separability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

(i) Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same

counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

(j) Advice of Counsel. Both parties hereto acknowledge that they have had the advice of counsel before entering into this Agreement, have fully read this Agreement and understand the meaning and import of all the terms hereof.

(k) Assignment. The Executive may not assign or otherwise transfer any of the Executive's rights or delegate any of the Executive's duties under this Agreement, and any such purported assignment or other transfer shall be null and void ab initio. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(l) Conflict. In the event any conflict between this Agreement or any provision herein and any other Company policy, restriction, contract or agreement that binds the Executive, the terms, conditions and restrictions set forth herein shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALTAIR ENGINEERING INC.

By: /s/ Raoul Maitra

Name: Raoul Maitra

Title: Chief Legal Officer

EXECUTIVE

/s/ Brett Chouinard

Brett Chouinard

Exhibit A

Non-Disclosure & Intellectual Property Rights Agreement

[To be attached.]

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James R. Scapa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Altair Engineering Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James Scapa

James R. Scapa

Chief Executive Officer

(Principal Executive Officer)

May 6, 2021

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Altair Engineering Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Matthew Brown

Matthew Brown

Chief Financial Officer

(Principal Financial and Accounting Officer)

May 6, 2021

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Altair Engineering Inc. (the “Company”), on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned officers of the Company certify to their knowledge and in their respective capacities, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Scapa

James R. Scapa
Chief Executive Officer
(Principal Executive Officer)

/s/ Matthew Brown

Matthew Brown
Chief Financial Officer
(Principal Financial and Accounting Officer)

May 6, 2021