Announcement Summary

Entity name

XERO LIMITED

Announcement Type

New announcement

Date of this announcement

25/6/2025

The Proposed issue is:
A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
XRO	ORDINARY FULLY PAID	4,848,042
XROAK	RESTRICTED STOCK UNIT	558,929

Proposed +issue date

31/12/2025

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

XERO LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type	**Registration Number**
ARBN	160661183

1.3 ASX issuer code

XRO

1.4 The announcement is
New announcement

1.5 Date of this announcement

25/6/2025

1.6 The Proposed issue is:
A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?
Yes

7A.1a Conditions

Approval/Condition	**Date for determination**	**Is the date estimated or actual?**	**** Approval received/condition met?**
Other (please specify in comment section)	31/12/2025	Estimated	

Comments

Approval / condition

Proposed issue of shares and RSUs in connection with the acquisition of Melio Limited. (Acquisition) as described in Xero's ASX announcements dated 25 June 2025:
(a) shares and RSUs: at closing of Acquisition; and
(b) shares on the achievement of specified milestones

Date for determination
(a) closing of Acquisition - expected 31 December 2025, subject to timing of satisfaction of conditions precedent
(b) achievement of milestones over the following periods:
(i) performance securities - each year over the approximately 3 years after closing
(ii) Shopify warrants - any time up to expiry date of 20 March 2033

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
No

Details of +securities proposed to be issued

ASX +security code and description

XRO : ORDINARY FULLY PAID

Number of +securities proposed to be issued

4,848,042

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
No

Please describe the consideration being provided for the +securities

4,848,042 shares may be issued in connection with the Acquisition.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

936,600,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
No

Details of +securities proposed to be issued

ASX +security code and description

XROAK : RESTRICTED STOCK UNIT

Number of +securities proposed to be issued

558,929

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
No

Please describe the consideration being provided for the +securities

558,929 RSUs may be issued in connection with the Acquisition.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

107,900,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Part 7C - Timetable

7C.1 Proposed +issue date

31/12/2025

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

(a) 4,848,042 shares
(b) 558,929 RSUs

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

2,831,995 shares may be issued at closing:

(a) Founder Shareholders and Core Leadership: 1,097,514 shares, 100% for 12 months;
(b) Other Management: 105,601 shares, 50% for 6 months, 50% for 12 months;
(c) All other equity investors: 1,628,880 shares, 50% for 3 months, 50% for 6 months

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
No

7E.2 Is the proposed issue to be underwritten?
No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Fees and costs incurred by Xero in connection with the proposed issue include share registry fees, settlement fees and legal and other external adviser fees

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

4,848,042 shares and 558,929 RSUs may be issued in connection with the Acquisition.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
No

7F.2 Any other information the entity wishes to provide about the proposed issue

The numbers in response to questions in Part 7B and 7D.1b(i) are based on:

(a) with respect to the Shopify warrants, a share price of A$194.21, being the closing price for Xero Limited shares on 24 June 2025, and a USD/AUD exchange rate of 0.6498 being the rate published by the Reserve Bank of Australia on 24 June 2025; and

(b) in all other respects, a share price of A$193.05, being the 5 day WWAP of Xero Limited shares up to and including 23 June 2025, and a USD/AUD exchange rate of 0.6487. These may change to reflect the share price or exchange rate (as applicable) on or around the time of each share issue.

For further information see Xero's ASX announcements dated 25 June 2025

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:
The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)