Announcement Summary

Entity name

XERO LIMITED

Announcement Type

New announcement

Date of this announcement

11/11/2021

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	103,223

Proposed +issue date

15/11/2021

Refer to next page for full details of the announcement

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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

ARBN

Registration Number

160661183

1.3 ASX issuer code

XRO

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

11/11/2021

1.6 The Proposed issue is:

☑ A placement or other type of issue

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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)	13/11/2021	☑ Estimated	

Comments

1) Completion of the acquisition - expected on 13 November 2021.
2) If the holdback adjustment mechanism applies - 18 months from the closing date

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

103,223

Offer price details

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

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Please describe the consideration being provided for the +securities

Pursuant to the announcement lodged with ASX on 11 November 2021, new shares will be issued as part of the consideration for the acquisition of shares in New Tack, Inc. Additional shares may be issued if the holdback adjustment mechanism under the merger agreement applies.

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

15,200,869.000000

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

15/11/2021

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?

Approximately 103,223 new shares on completion of the acquisition. Additional new shares may be issued if holdback adjustment mechanism under the merger agreement applies.

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?

☑ No

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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

To pay for the acquisition of an asset. Please refer to Xero's announcement lodged with ASX on 11 November 2021.

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 7B and 7D.1b(i) are based on the last closing price of Xero shares and the USD/AUD exchange rate as at the date of this Appendix 3B and may change to the reflect the share price or exchange rate on or around the time of each share issue.

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)

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