



Announcement Summary

Entity name

XERO LIMITED

Announcement Type

New announcement

Date of this announcement

Friday March 26, 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	1,070,538

Proposed +issue date

Thursday April 1, 2021

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.

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

Friday March 26, 2021

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 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

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)	Thursday April 1, 2021	<input checked="" type="checkbox"/> Estimated	No

Comments

Approval/Condition

Issue of new shares to sellers of the acquired business in accordance with the share purchase agreement as described in the ASX announcement on 4 March 2021:

- a) on completion of the acquisition; and
- b) on achievement of specified earnout milestones

Date for determination;

- a) Completion of the acquisition - expected on 1 April 2021; and
- b) Achievement of earnout milestones over the following periods:
 - i) 6 months and 12 Business Days after closing
 - ii) 12 months and 12 Business Days after closing
 - iii) 22 months after closing

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

1,070,538

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

Pursuant to the announcement lodged with ASX on Thursday, 4 March 2021, new shares will be issued as part of the consideration for the acquisition of shares in Planday A/S.

Approximately 895,351 shares on completion of the acquisition; and
Up to approximately 175,187 shares on satisfaction of the earnout milestones.

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

132,179,128.000000

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

Thursday April 1, 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 895,351 shares on completion of the acquisition; and
Up to approximately 175,187 shares on satisfaction of the earnout milestones - to be issued on satisfaction of the earnout milestones on any date up to 27 July 2023.

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

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

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 the share price and DKK/AUD exchange rate as at the date of this Appendix 3B and may change to reflect the share price and exchange rate on or around the time of each share issue.

