XERO LIMITED

(**Xero** or the **Company**)

12 November 2026

Xero is required to provide all shareholders with a disclosure document (see below) setting out details of an on-market buy-back of up to 14,320,554[1] ordinary shares (**Shares**), being up to an amount equal to A$1 billion. This was announced as part of Xero's H1FY27 Half Year results announcement, for further details refer to Xero's results announcement today, 12 November 2026.

This disclosure document is required by law to explain the nature and implications of an on-market share buy-back for Xero and its shareholders.

Disclosure Document relating to on-market share buy-back

(Sections 63(6) and 64 of the Companies Act 1993)

To: All Shareholders

The Board has determined to distribute capital to shareholders by way of an on-market buy-back of Shares which allows shareholders to choose whether to sell or retain their holding in the Company. The Board considers that purchasing Shares at current market prices is in the best interests of the Company and shareholders as it believes that the current Share price (as trading on the ASX) does not fully reflect the underlying value of Xero. The Company has sufficient capital available to fund the on-market buy-back of Shares up to A$1 billion while continuing to invest in the business.

Terms of the Buy-back

Xero is implementing a program to buy back up to 14,320,554 Shares pursuant to section 63 of the Companies Act 1993 (**Buy-back**).

Shares will be acquired by a broker on behalf of the Company by way of ongoing purchases on ASX over no more than a 12 month period from the date this disclosure document is sent to shareholders. Xero will pay the prevailing market price for the Shares at the time of purchase, in any event being no more than 5% above the volume weighted average market price for Shares over the last 5 trading days.

Under section 63 of the Companies Act 1993 (**Companies Act**), the Company is required to provide shareholders with this disclosure document at least 10 business days prior to the commencement of the Buy-back. However, this requirement does not apply to any Shares acquired under section 65 of the Companies Act which allows Xero to buy back up to 5% of its Shares without advance notice. The Buy-back will not exceed 5% before 27 November 2026. For clarity, any Shares acquired under section 65 of the Companies Act will still count towards the maximum number of Shares subject to the Buy-back.

The number of Shares purchased under the Buyback on the previous trading day will be notified to shareholders by way of a daily notification released to ASX before the commencement of trade each day.

Shares purchased under the Buyback will be cancelled upon acquisition. Accordingly, the number of Shares on issue will reduce as a result of the Buy-back (net of any new issue of Shares to participants under the Company's employee equity incentive schemes).

[1] Based on AU$1 billion divided by the 5-day VWAP of $69.8297 as at close of trade on 11 November 2026.

Throughout the Buy-back, Xero will continue to assess market conditions, Xero's Share price, and all other relevant considerations. Xero will not purchase any Shares while it possesses information that is not generally available to the market and which, if it were so available, would have a material effect on the price of the Shares.

Xero is not obliged to make offers and reserves the right to cease or suspend the Buy-back at any time.

Action from shareholders

Shareholders who wish to participate in the Buy-back and sell their Shares should contact their broker. If you do not wish to sell your Shares, you do not need to do anything.

Shareholders should seek their own tax advice before participating in the Buy-back.

BOARD RESOLUTIONS

The text of the Board resolution to initiate the Buy-back is as follows:

Acquisition of shares (section 63(1)(a) of the Companies Act)

1. The Company acquire under the Buy-back, through offers on the ASX to all shareholders, a maximum number of Shares being up to an amount equal to AU$1 billion, subject to compliance with applicable laws.

Best interests (section 63(1)(b) of the Companies Act)

2. The acquisition of Shares by the Company under the Buy-back is in the best interests of the Company and its shareholders for the following reasons:

    (a) Xero's robust capital position and continued strong free cash flow generation enables the company to return excess capital to shareholders while maintaining a strong balance sheet

    (b) purchasing Shares at current market prices is a capital efficient opportunity given the Board's view that Xero's current valuation does not reflect Xero's strong free cash flow generation and therefore intrinsic value; and

    (c) purchasing shares will also offset issuance from future share based compensation preventing dilution to existing shareholders and reflects capital discipline.

Fair and reasonable (section 63(1)(c) of the Companies Act)

3. The terms of the Buy-back and the consideration offered for the Shares are fair and reasonable to the Company and its shareholders for the following reasons:

    (a) the purchase price payable by the Company for Shares under the Buy-back will be equivalent to the market price of Shares at the time of acquisition, and the terms are therefore "arm's length" and are fair both from the perspective of shareholders who choose to sell and those who continue to hold their Shares; and

    (b) participation in the Buy-back is optional for each shareholder, with shareholders able to obtain independent advice as to whether they participate in the Buyback or not.

Disclosure of information (section 63(1)(d) of the Companies Act)

4. The Board is not aware of any information that will not be disclosed to shareholders:

(a) which is material to an assessment of the value of the Shares; and

(b) as a result of which the terms of the Buy-back and consideration offered for the Shares are unfair to shareholders accepting the Buy-back or from whom any Shares are acquired.

Solvency (section 52(2) of the Companies Act)

The Board has certified that Xero will satisfy the solvency test set out in the Companies Act immediately after the Buy-back, based on reasonable grounds.

DIRECTORS' INTERESTS

The Buy-back offer is made to all shareholders of Xero. At the date of this disclosure document, the directors of Xero have the following relevant interests in Shares subject to the Buy-back offer:

Director	Number of Shares	Nature of relevant interest
David Thodey	11,005	Indirectly held by Aspiring Co Pty Limited as trustee for the Thodey Family Trust. David Thodey is a director and shareholder of Aspiring Co Pty Limited and a beneficiary of the Thodey Family Trust along with immediate family members
Susan Peterson	3,512	Directly held by Susan Peterson
Mark Cross	5,292	Indirectly held through Alpha Investment Partners Limited of which Mark Cross is a director
Dale Murray	2,719	2547 Shares directly held by Dale Murray 172 Shares indirectly held by BNP Paribas Nominees Pty Ltd as nominee for Dale Murray 375 Shares indirectly held by Simon Murray - spouse
Steven Aldrich	1,400	Directly held by Steven Aldrich and Allison Aldrich as trustees for the Aldrich Family Trust
Brian McAndrews	4,994	Directly held by Brian McAndrews
Mark Durcan	Nil	Nil

This disclosure document is provided pursuant to section 63(6) of the Companies Act and complies with section 64 of the Companies Act.