MARKET RELEASE

2026 Annual Meeting Chair, CEO and People and Remuneration Committee Chair Addresses and Presentation

WELLINGTON, 27 August 2026 — Xero Limited (ASX: XRO) attaches the Chair, CEO and People & Remuneration Committee Chair addresses and presentation for Xero's 2026 Annual Meeting to be held today at 11am NZT (9am AEST).

Authorised for release to the ASX by the Company Secretary.

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About Xero

Xero is a global small business platform that helps customers supercharge their business by bringing together the most important small business tools, including accounting, payroll and payments — on one platform. Xero's powerful platform helps customers automate routine tasks, get timely insights, and connects them with their data, their apps, and their accountant or bookkeeper so they can focus on what really matters. Trusted by millions of small businesses and accountants and bookkeepers globally, Xero makes life better for people in small business, their advisors, and communities around the world. For further information, please visit xero.com

XERO LIMITED — 2026 ANNUAL MEETING
Thursday 27 August 2026

Address by the Chair, David Thodey AO

FY26 has been another year of significant change globally — AI, a broad re-rating of software sector valuations, and ongoing geo-political uncertainty have all shaped the environment in which we, and our customers, operate.

Against this backdrop, Xero has delivered strong operating and financial performance.

We are disappointed with our share price performance over the past year and acknowledge the pain felt by our shareholders.

A broad re-rating of SaaS valuations globally, alongside a desire from the market to see the financial returns from our Melio investment play out, has put downward pressure on our share price this year.

While neither the Board nor management can directly influence how investors value sectors, what we can do is execute on our strategy.

The Board is confident and committed to our current strategic direction that provides Xero with a large and expanding opportunity. We believe AI will be a positive for the company — not a negative.

Growing internationally with a focus on the US, UK, and Australia and New Zealand, gives Xero a large addressable market, while we continue to expand our product offering beyond accounting into payments and payroll. This has been our strategy for the last three years.

Accounting, payroll and payments remain fundamental to every small business.

Our continued investment in the US, through the Melio acquisition, reflects this commitment.

Aligned with this strategy, we continue to build our global executive team, global operating model, and a global people strategy and a remuneration structure that reflects the calibre of people required to compete in these markets.

Sukhinder will speak to our FY26 result shortly, but I want to touch on a few highlights.

Execution against our FY25–27 strategy has been encouraging, and our financial performance reflects strong demand for our products and services. Customer centricity remains vital, we continue to focus on our core product features alongside AI innovation, reflected in strong customer satisfaction and deep relationships with our partners. This was very apparent at Xerocon in London and Denver this year.

The US Xerocon held just last week reminds us of the importance of small businesses to the economy globally.

We see this in our Xero Small Business Insights series, which shows the underlying strength of small businesses around the world. These insights use anonymised data from more than one million small businesses across five countries. They help us understand and advocate on behalf of the small business economy.

We remain impressed by the resilience of small businesses navigating this complex environment, and proud of Xero's role in supporting them.

That resilience reminds us why our purpose — to make life better for people in small business, their advisors and communities around the world — matters as much today as it ever has.

We are pleased with our progress adopting AI to power both customer value and operational excellence.

Xero is delivering as the trusted financial operating system for the AI era so that we can meet our purpose of helping small businesses — while remaining committed to our obligations around security and data integrity.

Delivering on this strategy is only possible because of the quality and commitment of our people at Xero.

We remain committed to incentivising and retaining our key people and we have engaged extensively with shareholders on our remuneration approach over the past year, and carefully considered feedback in designing this year's package.

Our remuneration structure balances shareholder feedback on this topic with the continued application of a principles-based approach. This incentive structure is strongly aligned with the shareholder experience. Susan will speak to the detail of our approach, and to feedback from last year's remuneration vote, in her address.

Now let me turn to sustainability. This remains key to our business, and we continue to evolve our reporting. While Xero Limited is not subject to the new Australian Sustainability Reporting Standards, we are voluntarily and progressively aligning our climate disclosures with IFRS S2.

This year, for the second time, we published a separate Sustainability Report covering our people, our responsible use of data, and our sustainability commitments. I am also pleased to report that our climate-related targets were approved by the Science Based Targets initiative in FY26.

Turning to the Board — we are sadly saying goodbye to Anjali Joshi today, who will not stand for re-election at this meeting after three years on the Board. Anjali brought deep global expertise in product and technology, and her experience as a professional director has strengthened our Board through an important period of growth for Xero. I'd now like to ask Anjali to say a few words.

Thank you Anjali, on behalf of the Board, I thank you for your contribution and wish you well in your future endeavours.

We hope to announce a new Board director in the next few months.

The board continues to review our composition and succession planning to ensure the right balance of skills, knowledge and global experience to support Xero's long-term opportunity. I'd like to thank my fellow directors for their contribution and commitment throughout the year.

I also want to reaffirm the Board's commitment to a positive working environment at Xero, and to continuing to address any historic issues as they arise. This remains a priority for us.

On behalf of the Board, I thank Sukhinder and the Xero leadership team for another year of strong performance. We are immensely grateful for the dedication and passion shown by all of Xero's people, which is fundamental to Xero's success. I'd also like to thank you, our shareholders, for your ongoing support and confidence in Xero.

–ENDS–

Address by the CEO, Sukhinder Singh Cassidy

Today I'll cover Xero's FY26 results and themes, our strategic priorities, and our outlook.

Let's start with the results.

Operating revenue grew 31% to $2.75 billion, and adjusted EBITDA rose 18% to $757 million. Revenue growth was sustained across ANZ, the UK and the US, with the US accelerating, and EBITDA growth remained strong even as we absorbed continued investment in Melio. I'd like to highlight two key themes:

- First, the strong quality of our organic story: organic revenue was up 21%, 19% in constant currency and adjusted EBITDA up 30%
- Secondly, a Rule of 40 outcome on an as reported basis of 48.5%, showing the strength of our revenue growth and the quality of our cash generation. On a pro forma basis, adjusting for Melio, it was 36%

Turning to strategic execution, as David said our 3x3 strategy is hitting its stride as we become the financial operating system for small businesses.

A few product highlights from a standout year include:

- First, the launch of Xero BillPay, powered by Melio, on Xero.com, in the US — giving SMBs full cash flow management in one place. Take-up has been strong, with thousands of customers signed up and TPV growing strongly
- Secondly, key product launches across the 3x3 included Xero Analytics platform, embedded US payroll via our Gusto partnership, and Xero Simple in the UK supporting the rollout of MTD for Income Tax rollout
- Thirdly, we sharpened our go-to-market across direct and partner channels, and further improved the Xero mobile experience to lift acquisition

But where I want to spend the most time today is where we are materially moving the dial — our US business and AI innovation.

In the US on a Xero organic basis, revenue growth accelerated from 13% in FY24, to 25% in FY25, to 30% in FY26, doing exactly what we said we would, with disciplined investment in our target segments.

With Melio, pro forma FY26 US revenue reached NZ$530 million, up 50%, and pro forma gross profit reached NZ$186 million, up 36%. That gross profit trajectory matters most: we're building real scale in the world's largest SMB market while improving ARPC with payments.

We remain on track for Melio's synergies from cross-sell into Xero's customer base and shared infrastructure, and for run-rate EBITDA breakeven by the end of H2 FY28.

On the back of this momentum, we've decided to step up our US brand investment in FY27. It's a deliberate sequencing decision, as we wanted our 3x3 jobs to be in good shape before committing to this multi-year spend. It's a long-term, measurable investment to lift every channel.

Now to our biggest opportunity: the agentic era. We're uniquely positioned to win in a time of unprecedented change, multiplying the value we deliver to customers with AI.

Xero began as a system of record, but years ago we started evolving into a system of action, then decision making — first with traditional AI, then with investments like Syft Analytics and global payments. Agentic AI takes that to a new level. We think of our AI as Accountable Intelligence: our commitment that the platform stays transparent, auditable and trusted for every user.

That underpins our position as the Trusted Financial Operating System for the AI Era — with multiple layers of value we offer to customers:

- At the foundation of our O/S is our infrastructure layer, that connects thousands of bank feeds, tax APIs, regulated payment rails and other integrations
- On top of that sits our data layer: enriched, verified financial data and proprietary models built on 20 years of real small business transactions, powering our own applications and those of our partners
- Above that, is our application layer, including accounting, payments and payroll and,and our agent super agent JAX which offers model-agnostic AI driven features across our key jobs
- And at the top of the value chain is our go-to-market layer: around 5 million customers, a 250,000-strong accountant and bookkeeper channel, and an efficient distribution engine at scale. That layer is evolving too — AI players are becoming new distribution channels, and we already rank highly in AI citations globally. Through our Anthropic and OpenAI partnerships, for example, customers can tap Xero's financial intelligence directly inside their own productivity suites — and it drives traffic back to our full operating system

Bringing this together, we are in a strong position to deliver value to customers through launching AI features. We are already seeing great traction as we enhance JAX and launch new features including Smart Doc capture. This is resulting in deepening usage and increased adoption across our customer base.

Looking ahead, we're aligning AI value to how customers use it, bundling core capability into plans, offering add-ons for wider access, and will test consumption-based pricing where it fits, designed to drive adoption while reflecting the value we deliver. Our opportunity in the AI era is both powerful and exciting for both our customers and internally.

AI is not just something we are building for our customers, it is reshaping how Xero operates internally so that we can drive greater productivity and enable our people to move faster. Over 83% of Xeros now use AI daily, and our internal AI momentum is just as strong.

97% of engineers are using at least one AI tool. AI developer tools are saving around 3.5 hours per individual per week and rapidly accelerating time to product launch. For example, we redesigned and rebuilt our timesheets experience, completing in 10 weeks what would previously have taken 6 months.

This is just one example of a broader program we now have in place — what we call the Citizen Builders program where staff are tasked to reimagine and fundamentally rebuild the workflows we complete internally, leveraging AI tools to deliver efficiency and increased productivity.

Turning to the years ahead, we are reaffirming our FY28 aspiration and our FY27 guidance, targets that underscore our confidence in the growth strategy and our ability to balance robust growth with operational efficiency. We have strong revenue momentum and a clear pathway to more than doubling group revenue from FY25.

Our pro-forma Rule of 40 sits at 36% and is well on track to be back above 40 in FY28. We continue to expect Melio to reach run-rate breakeven on an Adjusted EBITDA basis in the second half of FY28.

As explained in our FY26 presentation, we now provide both a revenue and Adjusted EBITDA guide for FY27.

Revenue is guided to be between NZ$3.62 billion and NZ$3.73 billion, supported by a balance between ARPC expansion and customer growth, including some initial monetisation of new AI features.

On Adjusted EBITDA we expect to deliver between NZ$860 million and NZ$920 million in FY27, including:

- Incremental US Brand spend of up to NZ$55 million
- A higher than historical weighting towards H2. This reflects the timing of investment spend across CAC, the phasing of Melio's breakeven trajectory, and our normal H2 revenue seasonality

Our FY27 outlook reflects the confidence I and the management team as well as the board have in Xero's opportunity. We are a company that is well positioned to deliver over the short, medium and long term and create significant value for shareholders. We are excited to work together to capture this opportunity.

Before I conclude, I want to thank everyone who plays a role in our journey, especially our Xeros around the world, who work so hard and with purpose for our customers and partners. I'm proud of the workplace we've built - and we'll keep working to make it even better.

My thanks too to David and the board for their support and hard work, and to you, our shareholders, for your ongoing support.

–ENDS–

Address by the People & Remuneration Committee Chair, Susan Peterson

The last financial year can best be described as a year of strong execution against our strategy. Operating revenue grew by more than 20 percent. Adjusted EBITDA reached $757 million, and free cash flow was $560 million. We also continued to deliver strong Rule of 40 outcomes.

This performance has been underpinned by the leadership, capability and passion of our Xero people who are motivated to fulfil Xero's purpose across the globe. As a NZ-domiciled company that supports customers in over 180 countries, we have made deliberate choices to ensure that Xero has the right capabilities to successfully deliver strategy and scale globally.

Before I go further, I want to acknowledge that the Xero share price has not reflected the strength of our operational performance, and this has been extremely challenging for you as owners. Xero's share price has fallen significantly over the past twelve months. A large part of that decline reflects a global re-rating of the software sector, rather than company performance. But that reality does not make the experience any easier for shareholders.

We also recognise that there remains some market skepticism towards the strategic acquisition of Melio. The Board remains strongly of the view that this aligns with Xero's 3x3 strategy and positions us well for growth in the US market moving forward.

Turning to the Remuneration Report, and our response to the 2025 shareholder vote.

Our approach to pay at Xero continues to be guided by three principles: performance, the scope and criticality of the role, and the location in which an individual is based.

Location is the principle that generates the most debate. Xero's ambition requires talent who have built and run global technology businesses at scale. That talent is scarce, and the reality is that the market for it is heavily concentrated in the United States. If we wish to attract and retain leaders with that experience, then we need to respect their expectation that their remuneration will be benchmarked against their home market.

It is for this reason that the Board has not changed the underlying structure of our framework.

It is important to note that almost all of our larger active shareholders expressed their support for our approach to pay in local market rates. They realise that it is not realistic to expect to be able to attract the talent required to execute Xero's global strategy by offering Australian pay structures to non-Australians.

Guided by shareholder feedback, we have once again strengthened our disclosures in our Remuneration Report. For the first time, we have published the relative total shareholder return targets and payout ranges attached to the current year's long-term incentive, rather than disclosing them after the fact. We have also expanded our commentary on how the Board assessed the CEO's individual short-term incentive performance, so that you are able to see the reasoning and not simply the outcome.

It was pleasing to receive positive feedback from both shareholders, and proxy advisors on those changes.

Turning to today's resolution, we have seen each of the major proxy advisors recommend against the voluntary resolution.

Three themes have come through consistently across the proxy reports.

- The first is that incentive outcomes for the year should have been reduced to reflect the shareholder experience
- The second is that too large a proportion of the CEO's equity vests on continued service rather than on performance
- And the third is that the CEO's recent share sale, together with the absence of a minimum shareholding requirement, falls short of what is expected of a company of our scale

Let me respond to each. Starting with incentive outcomes and the shareholder experience.

The short-term incentive is a structure that is intended to reward delivery on the strategic priorities in the financial year. The Board set ambitious targets, which is evidenced by the fact that, even after a strong year of operating performance the FY26 scorecard outcome was only 94.2 percent of target.

The short-term incentive also includes an individual performance multiplier of up to 1.5 times to reward for individual relative performance throughout the year. The Board elected to award the CEO an individual performance multiplier of 1.2 times to reflect a strong, but not exceptional, personal performance throughout the year.

Adjusting the short-term incentive outcome based on total shareholder return or TSR would be inappropriate following a year of exceptional operational execution. TSR is explicitly excluded from the STI framework, as relative TSR is already measured and evaluated within the long-term incentive structure. Adding it to STI would create a double-penalty effect for the same metric, which proxy advisory firms caution explicitly against.

By contrast, the LTI structure is intended to incentivise sustainable value creation over time for shareholders. The performance metrics in the LTI include both operating performance and relative total shareholder return against the EMCloud Index.

Putting aside the principle generally applied by proxies that they don't like boards applying any form of discretion, the key reason why the Board did not apply downward discretion in this case is because overriding the LTI outcome ignores three years of consistent performance. From April 2023 to March 2026, Xero beat its growth targets and ranked in the 64th percentile against industry peers. Overturning this based on short-term stock volatility unfairly dismisses three years of progress.

That said, if the stock price doesn't recover, future performance-based payouts will naturally decline, aligning executive pay with the shareholder experience.

Moving to the concern that a large proportion of the CEO's equity vests on continued service rather than on performance.

We need to acknowledge that service based equity is market standard in US tech-sector remuneration packages, with the balance between service and performance based equity being 50:50. Xero needs to respect this market reality if it wishes to secure US talent. Despite this, Xero executives have accepted a structure that is 40% service and 60% performance equity in an attempt to demonstrate respect for ASX pay expectations.

Finally, the Board acknowledges the frustration regarding Sukhinder's recent share sale, and we take the feedback seriously. Sukhinder informed the Board that she had personal tax obligations that required cash and needed to sell shares. We should note that she continues to hold a substantial ongoing stake in Xero, including approximately 586,000 time-based and performance-based RSUs that have already been granted. It is also worth noting that, as a US based executive, Sukhinder is accustomed to the US practices where a CEO's total shareholding is calculated based on the combination of both unvested and vested shares.

Nevertheless we recognise that it is reasonable to expect the chief executive of a company of Xero's scale to build and maintain a meaningful personal holding. The Board has approved the introduction of an Executive Minimum Shareholding Scheme that will require the CEO to build and maintain a stake of 5 times her annual base salary within 3 years.

Let me turn now to the change to the CEO's remuneration that was announced earlier this week as part of our normal annual remuneration review process.

The Board considers regular engagement with shareholders, shareholder representative groups and proxy advisors to be an important part of good governance. While different investors may have varying perspectives, this engagement process provides an important opportunity for feedback. Over the past few months we held over 30 meetings with our shareholders, to seek their thoughts on the CEO compensation review, acknowledging the accelerating market for packages paid for global tech talent against the backdrop of the re-rate of the Xero share price.

It was pleasing to hear shareholders' support for Sukhinder and specifically for the strength of execution delivery under her leadership. There was strong support for Sukhinder to be provided with an annual remuneration review, and a number of major shareholders acknowledged the need to adjust her compensation package to align with relevant benchmarks given performance.

All shareholders made it clear that they did not want the Board to reprice, cancel or replace the existing options grants. They also asked that no further options grants be made to the CEO. In response we confirm that the existing CEO options grants remain unchanged and there hasn't been, nor is there intended to be, any new options grants for the CEO.

Shareholders also sought confirmation that the comparator group used to benchmark compensation remained appropriate given the change in Xero's share price.

The Board used independent advisers to provide market data and views on our comparator peer group based on an objective methodology which is disclosed in our Remuneration Report. Given the share price decline, the Board tested the comparator peer group twice this year. The outcome of these reviews confirmed that our benchmarking peer group remains appropriate to inform compensation decisions.

The outcome of the benchmarking process for CEO compensation showed that the CEO's total target remuneration sat at the 25th percentile. Considering shareholder feedback, the strength of operating performance and our strategic priorities, the Board decided to move the CEO's total target remuneration to the 50th percentile of the US peer group.

It is important to note that total target remuneration does not translate to take home or realisable pay in that same year. Due to the vesting profile of the package, approximately 60% of FY27 total target remuneration vests in three years' time. This means that until then, the CEO's realisable pay is expected to be materially below total target remuneration, for example, we expect FY27 realisable pay for the CEO to be around US$4.4 million.[1]

To wrap up, I would like to acknowledge the votes we have received today against the voluntary resolution around our Remuneration Report. It is clear that the poor share price performance from the last year has materially influenced this vote outcome and we respect and understand the strength of this feedback.

As a Board, we seek to make decisions to set Xero up for sustainable long term success. This requires us to be principles based in our decision making, be adaptable to changing circumstances and to stay focused on supporting our customers to be more successful. While some might be tempted to react to short-term challenges, our approach has been to remain focused on growing a business whose economic value is supported by genuine and sustainable economic fundamentals.

Our ability to attract and retain the global talent required to enable this purpose has been core to Xero's success.

The votes cast today, and the comments that have been provided to us, will be carefully considered by the Board in setting future remuneration strategy and in preparing next year's Remuneration Report.

I would like to thank my colleagues on the People and Remuneration Committee for their support and dedication through the year.

–ENDS–

[1] Refer to ASX announcement dated 24 August 2026

Xero Limited

Annual Meeting 2026

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Important notice

This presentation is given on 27 August 2026 on behalf of Xero Limited (Xero) (ASX:XRO) (Company number NZ 183 0488, ARBN 160 661 183)
Information in this presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, or purchase of, or a recommendation to invest in, Xero securities
- should be read in conjunction with, and is subject to, Xero's latest and prior interim and annual reports, including Xero's Annual Report for the period ended 31 March 2026, and Xero's market releases on the ASX
- includes forward-looking statements, including opinions, estimates and indications of, and guidance on, future earnings and financial information about Xero and the environment in which Xero operates, that involve known and unknown risks and which are subject to uncertainties and contingencies outside of Xero's control — Xero's actual results, outcomes or performance may differ materially from these statements. Any forward-looking statements are provided as a general guide only and are not guarantees or predictions of future performance or statements of fact. Forward-looking statements provided in this report are based on assumptions and contingencies, including those set out in this report. Other factors which may affect Xero's outcomes and developments also include: general economic conditions in the markets in which Xero operates; competition in the markets in which Xero operates; the continuing growth in the markets in which Xero operates; the implications of regulatory risks in the businesses of Xero; technological changes taking place in Xero's industry; future changes to Xero's products and services; the risk of cyber and data security issues; the geopolitical environment and exchange rates.
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance
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- includes Non-GAAP measures as we believe they provide useful information for readers to assist in understanding Xero's financial performance. Non-GAAP financial measures do not have a standardised meaning and should not be viewed in isolation or considered as substitutes for measures reported in accordance with NZ IFRS. These measures have not been independently audited or reviewed

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All information in this presentation is current at 31 March 2026, unless otherwise stated.

All currency amounts are in NZ dollars, unless otherwise stated.

Due to rounding, numbers in this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

See page 21 for a glossary of the key terms used in this presentation.

Board of Directors

David Thodey, AO
CHAIR
INDEPENDENT NON-EXECUTIVE DIRECTOR
Nominations and Governance Committee (Chair)
Audit and Risk Committee

Mark Cross
INDEPENDENT NON-EXECUTIVE DIRECTOR
Audit and Risk Committee (Chair)
People and Remuneration Committee

Susan Peterson
INDEPENDENT NON-EXECUTIVE DIRECTOR
People and Remuneration Committee (Chair)
Nominations and Governance Committee

Anjali Joshi
INDEPENDENT NON-EXECUTIVE DIRECTOR
People and Remuneration Committee

Brian McAndrews
INDEPENDENT NON-EXECUTIVE DIRECTOR
People and Remuneration Committee
Nominations and Governance Committee

Dale Murray, CBE
INDEPENDENT NON-EXECUTIVE DIRECTOR
Audit and Risk Committee

Steven Aldrich
INDEPENDENT NON-EXECUTIVE DIRECTOR
Audit and Risk Committee

Agenda

01. Chair address

David Thodey
Chair

02. CEO update

Sukhinder Singh Cassidy
Chief Executive Officer

03. Resolutions

04. Q&A

Using the online platform

Voting

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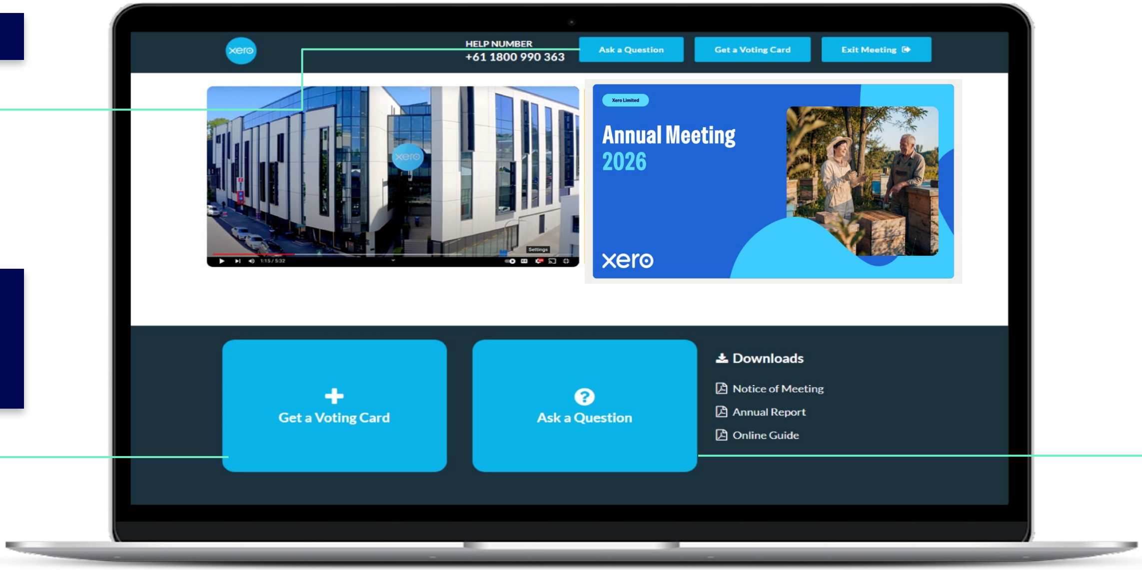

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Chair address

David Thodey
Chair

CEO update

Sukhinder Singh Cassidy
Chief Executive Officer

Execution across the board: growth, efficiency and US acceleration in FY26

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Revenue growth broad based and sustained

Strong Adj-EBITDA growth, absorbing Melio investment

Operating revenue	Adjusted EBITDA	Rule of 40[1]
$2,753m	**$757m**	**48.5%**
+31% YOY headline (+21% YOY organic, +19% CC)	**+18% or +$116m YOY headline** (+30% or +$191m YOY organic)	**+4.2pp YOY headline** (36.0% Pro-forma)[2]

Organic refers to performance excluding the contribution of Melio in FY26[3]

Pro-forma refers to performance if Xero + Melio were combined for the full period[3]

1. Rule of 40 is defined as the sum of annual revenue growth percentage in constant currency and free cash flow margin percentage (free cash flow as a percentage of revenue)
2. For details on calculation see slide 41
3. Refer to slide 44 in appendix for further details

3x3 traction accelerating with payments scale, US stepchange and focus on innovative AI solutions

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Win the 3x3

- **Launched bill payments** powered by Melio
- Introduced Xero Analytics with **customisable AI powered insights**
- Launched **US embedded payroll solution** (beta) through Gusto
- Introduced **Xero Simple** for MTD for IT[1]

A winning GTM playbook

- Optimised **sales motions** and scaled data-driven marketing across direct and partner channels
- Added **Syft Analytics for Xero partners** into eligible business plans
- Enhanced direct acquisition strategy by **improving the Xero mobile experience**

Focused bets to win the future

- **JAX available to all eligible users globally**[2] supporting new AI features — **over 500k customers** have adopted
- **Partnered with Anthropic** to integrate Claude's advanced AI reasoning directly into Xero
- Released **live in-product chat capability for customers**[3] with access to immediate AI-powered answers

Unleash Xero(s) to win

- Equipped Xeros with **AI education + automation tools** to increase internal productivity
- Continued **simplifying our organisational matrix** to empower our regions
- **Evolved our product and technology team structure** positioning Xero for future success

1. In the UK
2. In beta
3. In the US, and those in their first 90 days in UK + ANZ

Strong US progress allows us to step up brand investment in FY27

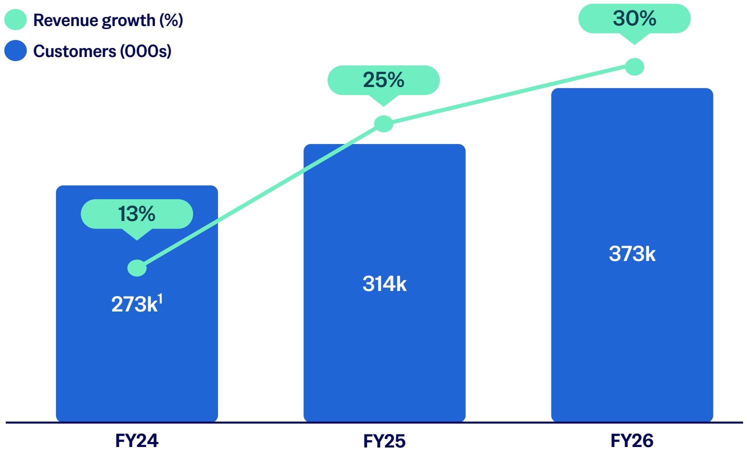
FY27 US BRAND SPEND

- Incremental spend of up to NZ$55m, bringing **planned FY27 total to US$50m**

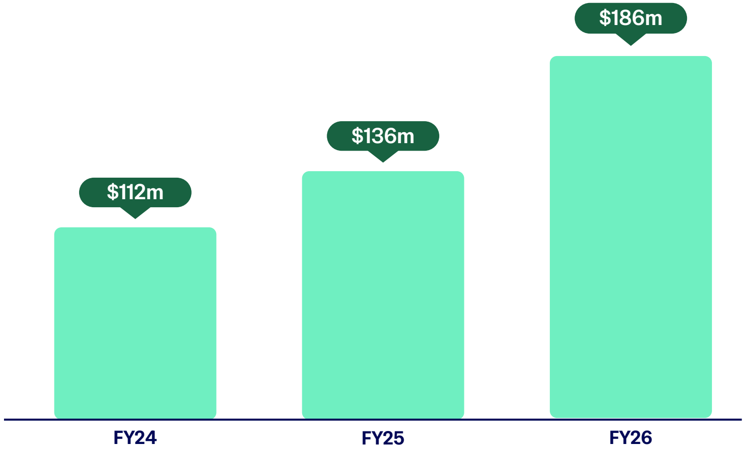
STRONG MELIO PROGRESS

- **On track to achieve synergies** & deliver FY28 run-rate break even

Xero US standalone



Pro-forma Xero + Melio US gross profit ($m)



1. FY24 adjusted for long idle subscribers removed in H1 FY25 to assist in showing underlying growth trends, for further detail refer to page 29 of Xero's FY26 Annual Report

Xero's opportunity is to be the trusted O/S for the agentic era

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Xero's competitive advantages

		Xero's competitive advantages
GTM layer *New distribution channel for Xero*	**SMBs + ABs** **General AI assistants** xero **Xero GTM: ~5m+ customers & growing**	Customer context Global scale Xero's SMB customers are not billed by seats
Vertical platform layer	Xero app: Financial operations for SMBs xero: Accounting, Payroll, Payments, Ecosystem	Domain expertise 3 JTBD combined = more effective and efficient
LLMs	Foundation Enterprise LLMs (Anthropic, OpenAI, Google) are an input into our value chain	
Data layer	**Enriched & verified data across 1st party & 3rd party sources**	20yrs of data
Infrastructure layer	Agent capabilities across JAX xero External integrations into Xero: Bank feeds, Tax APIs, Payment rails, Ecosystem Deterministic engine: Detect, Record, Reconcile, Comply	System of record = 'Source of truth' Trusted experts in compliance Deep infra capabilities

Xero reiterates its FY28 aspirations and Melio breakeven guidance

The combined business is expected to **significantly accelerate US revenue growth** and gives us the opportunity to **more than double** Xero's FY25 **group revenue** in FY28 excluding anticipated revenue synergies[1, 2]

This outcome is expected to support our aspiration to deliver greater than **Rule of 40** outcomes for the group in FY28[3, 4, 5]

Melio is expected to reach **Adj-EBITDA breakeven** on a run-rate basis in H2 FY28[6,7]

1. Anticipated FY28 revenue synergies are expected to be ~US$70m, for more detail refer to page 27 of the Investor Presentation lodged with the ASX on 25 June 2025. Assuming constant currency conversion of NZ$/US$ 0.57,NZ$/AU$ 0.91 and NZ$/GBP 0.46
2. FY25 revenue was NZ$2,103m. This statement applies to FY28 only and no implication should be made relating to any other financial year
3. In the interim period prior to FY28, Xero expects to deliver below Rule of 40 outcomes on a pro-forma basis (pro-forma refers to adjusting for inorganic revenue growth benefits from the time of transaction completion by comparing to a prior year revenue base that fully incorporates Melio's revenue)
4. Assessed including both expected revenue and expected cost synergies outlined on page 27 of the Investor Presentation lodged with the ASX on 25 June 2025
5. Rule of 40 is defined as the sum of annual revenue growth percentage in constant currency and FCF margin percentage (free cash flow as a percentage of revenue)
6. Melio Adj-EBITDA definition aligns with the Xero group definition, for further detail refer to page 25 of Xero's FY26 Annual Report. This guide aligns with Xero's assumptions outlined in its FY28 aspiration statement and excludes synergies
7. Run-rate breakeven refers to at least one month of positive Adj-EBITDA contribution to the Xero group during the referenced period

FY27 Outlook

FY27 Operating revenue is expected to be between $3,620m and $3,730m

FY27 Adjusted-EBITDA is expected to be between $860m and $920m

This includes incremental US Brand spend of up to ~NZ$55m

Over FY27 Xero expects a higher than historical weighting towards H2

Product capitalisation rate expected to be similar to long term range. D&A expense estimated at ~$465m

Refer to FY26 Investor Pack for further details including supporting assumptions and qualitative commentary

Resolutions

Resolution 1

Auditor’s fee and expenses

That the board is authorised to fix the fees and expenses of Ernst & Young as auditor for the ensuing year

For

114,278,523

98.55%

Against

1,631,896

1.41%

Discretionary*

49,664

0.04%

**34,075 of which are held by the Chair of the Meeting who intends to vote in favour of the resolution*

Resolution 2

Re-election of Mark Cross

That Mark Cross, retiring from office as a director of Xero at the close of the Meeting and, being eligible, be re-elected as a director of Xero

**35,023 of which are held by the Chair of the Meeting who intends to vote in favour of the resolution*

For

95,192,842

82.10%

Against

20,702,726

17.86%

Discretionary*

50,612

0.04%

Resolution 3

Increase the non-executive directors' fee cap

That, approval be given for all purposes, including clause 25.1 of Xero's Constitution and ASX Listing Rule 10.17, for the maximum aggregate amount of remuneration that may be paid to non-executive directors of Xero from be increased by NZ$1,000,000, from NZ$3,300,000 to NZ$4,300,000 per annum

Note: A voting exclusion applies to this resolution

For	Against	Discretionary*
115,199,468	**632,930**	**30,811**
99.43%	0.55%	0.03%

**15,422 of which are held by the Chair of the Meeting who intends to vote in favour of the resolution*

Resolution 4

Re-approval of the US Incentive Scheme

That the Xero Limited USA Incentive Scheme, as amended and restated by the Board on 13 May 2026 be approved

**14,057 of which are held by the Chair of the Meeting who intends to vote in favour of the resolution*

For

110,370,196

95.28%

Against

5,439,860

4.70%

Discretionary*

29,446

0.03%

Resolution 5

Adoption of the Remuneration Report

That the Remuneration Report contained in the FY26 Annual Report be adopted

Note: Xero is putting this resolution to shareholders voluntarily as a matter of good governance. This is an advisory resolution and the outcome of the vote will not bind the Board or Xero. A voting exclusion applies to this resolution

For

34,014,469

29.35%

Against

81,836,253

70.62%

Discretionary*

31,229

0.03%

**16,040 of which are held by the Chair of the Meeting who intends to vote in favour of the resolution*

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People and Remuneration Committee Chair address

Susan Peterson
Independent Non-Executive Director
People and Remuneration Committee (Chair)

Q&A

Glossary

Adjusted EBITDA
Adjusted EBITDA (a non-GAAP financial measure) is provided as Xero believes it provides useful information for users to understand and analyse the underlying business performance. Adjusted EBITDA is calculated by adding back net finance expense, depreciation and amortisation, and income tax expense, as well as certain non-cash, revaluation, other accounting adjustments and one-off charges to net profit/(loss)

Average revenue per customer (ARPC)
Average revenue per customer (ARPC) is calculated as AMRR at 31 March divided by the number of customers at that time and divided by 12 to get a monthly view

Constant currency (CC)
Constant currency comparisons for revenue are based on average exchange rates for the 12 months ended 31 March 2025. Comparisons for ARPC, AMRR and LTV on a constant currency basis use exchange rates at 31 March 2025

3x3 strategy
A key strategic priority for Xero in FY25-27, *Win the 3x3* refers to our focus on completing the 3 core jobs to be done (Accounting, Payments and Payroll) across our 3 primary markets (Australia, UK & US)

Customers
Customers include Xero customers and Melio direct payments customers. A Xero customer means each unique subscription to a Xero-offered product that is purchased by a customer (eg, small business owner or accounting partner), and which is, or is available to be, deployed in supporting an underlying entity (eg, a business or trust). Customers that have multiple subscriptions to integrated products on the Xero platform are counted as a single customer.

The Melio direct payments customer number is a Quarterly Active Customer metric, defined as a user that was monetised during that period by either making a payment and/or paying subscription fees during the final quarter of the reporting period. Melio's direct payments customer metric does not include any customers associated with syndication partnerships, as these are third-party relationships.

Free cash flow (FCF)
Free cash flow (FCF) is defined as cash flows from operating activities less cash flows used for investing activities excluding cash used for acquisitions of, and investments into, businesses and strategic assets

GAAP
Generally accepted accounting practice

GTM
A go-to-market (GTM) strategy details the action plan for reaching target customers and achieving competitive advantage for specific products or services. It encompasses strategies for sales, marketing, distribution, pricing and customer engagement

JAX
'Just Ask Xero', Xero's GenAI powered smart business companion

JTBD
Jobs to be done (JTBD) reflect the jobs that are most important to current customers and possible future customers of Xero from their perspective, and agnostic of Xero. It reflects the awareness among customers of what it takes to ensure a business survives and thrives

LLMs
Refers to Large Language Models

Organic
Organic refers to performance excluding the contribution of Melio in FY26

Pro-forma
Pro-forma statements are unaudited and are created to illustrate the impact if Melio and Xero were combined from the start of Xero's 2024 Financial Year.

Financial information contained in this Presentation on a pro-forma basis is unaudited, other than information relating only to Xero or the Group, or unless otherwise stated

Rule of 40
Rule of 40 is defined as the sum of annual revenue growth percentage in constant currency and free cash flow margin percentage (Free cash flow as a percentage of revenue)

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