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MARKET RELEASE

Xero to acquire Syft to enhance reporting and insights capability

Aligns with 3x3 strategic priority, will advance Xero's accounting offering globally

WELLINGTON, 17 September 2024 - Xero Limited (ASX: XRO) today announced it is acquiring Syft Analytics (Syft), a leading global cloud-based reporting, insights and analytics platform for accountants, bookkeepers and small businesses.

The acquisition will accelerate Xero's insights, advanced reporting and analytics offerings for customers in Australia, the UK, the US and its other markets globally. Xero plans to embed Syft's functionality within Xero over time, providing customers with more powerful analytics and reporting, and benchmarking capabilities.

Headquartered in Johannesburg, South Africa, Syft's software is used by accountants and small businesses in over 80 countries, the majority of whom are in Xero's largest markets. Customers use Syft to review, analyse and forecast financial outcomes — a useful capability in any economic environment. Examples of the reporting dashboards possible with Syft's advanced analytics capabilities are included below.

Xero CEO Sukhinder Singh Cassidy said: "Xero has always focused on reimagining how accounting software can empower small businesses by providing insights to help them and their advisors run their business better. Syft accelerates this further by offering deeper insights to help both small businesses and accounting and bookkeeping partners to make informed decisions. Today's announcement supports our strategy to create winning customer solutions by strengthening our accounting offering - one of the three most critical small business jobs."

Total consideration for the purchase of Syft and related employee incentive payments will be up to US\$70 million, comprising an upfront payment of US\$40m (including approximately US\$10m in Xero shares) and the balance in earnouts and employee RSUs over three years. Completion of the transaction is expected to occur in Q3 of Xero's FY25 and is subject to satisfaction of customary closing conditions, including necessary approvals. Completion of this transaction including transaction, integration and operating costs are expected to have minimal impact on Xero's financial metrics in FY25.

Syft's more than 70 employees, the majority of whom are based in South Africa, will transition to Xero as part of the acquisition. Syft is an existing, top Xero app partner in the Xero App Store. Xero plans that Syft will continue to be available as a standalone offering post-acquisition.

Authorised for release to the ASX by Xero's CEO



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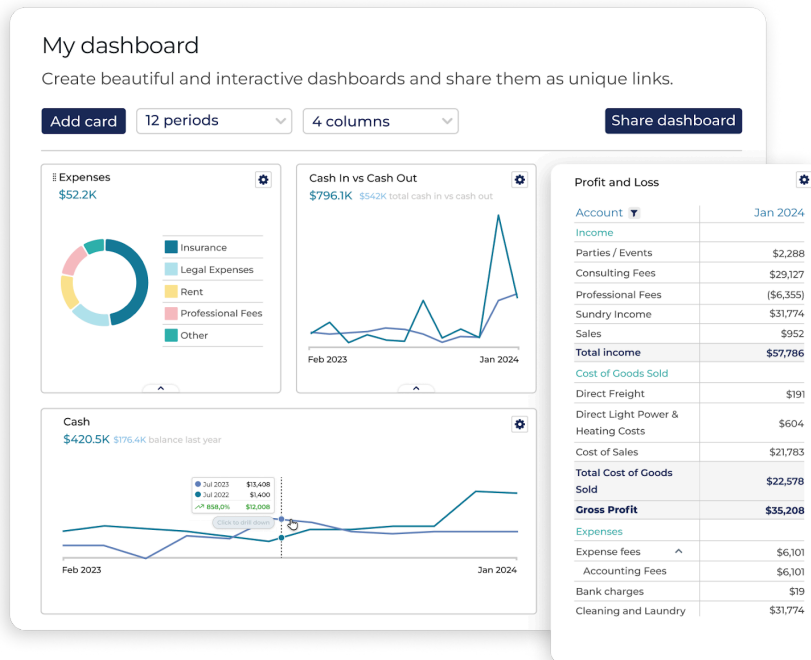
About Xero

[Xero](#) is a global small business platform with 4.2 million subscribers. Xero's smart tools help small businesses and their advisors to manage core accounting functions like tax and bank reconciliation, and complete other important small business tasks like payroll and payments. Xero's extensive ecosystem of connected apps and connections to banks and other financial institutions provide a range of solutions from within Xero's open platform to help small businesses run their business and manage their finances more efficiently.



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Syft dashboard example



Syft Profit and Loss dashboard example

