



Beautiful accounting software

MEDIA RELEASE

Xero one of Australasia's top listed technology companies ***Highlights Commitment to Accountants and Bookkeepers at Annual Shareholders' Meeting***

All figures are in NZ\$

SYDNEY, 12 July 2017 – Xero (NZX: XRO, ASX: XRO) is emerging as one of the largest and fastest growing listed technology companies in Australasia, with analysis showing the cloud accounting platform is one of the best performing by revenue with a fast growth rate on the Australian and New Zealand stock exchanges.

Discussing the achievement at the company's hybrid Annual Shareholders' Meeting in Sydney today, Xero CEO and Founder Rod Drury explained it had been a deliberate strategy of delivering diversified global growth which has afforded Xero such results.

"It has been a milestone year for Xero. We have executed on all fronts to achieve strong results for the financial year. We're now well past the startup phase and are pleased to become one of the larger technology companies by revenue listed on the ASX and NZX," Drury said.

"We're into a new phase of innovation as machine learning and artificial intelligence allow us to redefine small businesses computing on our global platform. Our strong revenues allow us to continue to invest to lead this revolution while we manage our cash towards breakeven."

Xero recently posted a solid set of full-year financial results that showed Xero achieved operating cash flow break-even in the second half of the financial year ending March 31, doubled subscriber numbers in less than two years to pass more than one million subscribers, and moved the platform to the public cloud. The company has passed quarter-of-a-million subscribers in New Zealand, and expects to pass half-a-million subscribers in Australia shortly.

"Balanced, strategic investment has resulted in the continuation of world class customer retention levels and operating metrics that are expanding with scale as Xero prepares to pass into positive EBITDA," Drury said.

"Our focus on building a single, global platform has enabled Xero to onboard more than half-a-million customers in the last two years, 300,000 of which were in the last year alone. Xero's revenues continue to grow, and network effects are starting to work on the global platform. Now we've built a powerful and much-loved accounting engine, we have so many opportunities for growth, including how we can

use our single code base to service a larger array of businesses around the globe and build more powerful tools.”

Investing in accountants and bookkeepers

At the meeting today, where Xero shareholders were able to participate in person in Sydney or online to ask questions and vote on resolutions, Xero outlined its global strategy which will set it up for the next phase of growth.

Xero Chief Partner Officer, Anna Curzon outlined the importance of small businesses in the global economy, revealing how the company intends to help transform advisors into growth consultants to further stimulate global prosperity.

“Accounting technology should lead the next era of innovation - the industry has so much to gain from artificial intelligence and machine learning advances which both reduce the cost of compliance and help arm accountants with the tools and skills required to support the world’s small businesses,” Curzon said.

“Machine learning and artificial intelligence are helping unlock the potential of the Xero community’s vast connections and unique dataset to drive the establishment of personalised automation systems for small businesses. It’s never been a more exciting time to be in accounting. As small businesses’ contribution to the global economy grows, so does the accountant’s role, as advisors in supporting small businesses who run the world.”

With more than 100,000 business advisors in the Xero network, the cloud accounting platform has established a proven formula for growth where the open ecosystem gives customers world class apps and choice.

“We are investing in supporting the people who support small businesses. We know that small businesses will only reach their full potential if we enable advisors to be productive growth consultants. The Xero business is centred on giving advisors the tools they need to succeed,” Curzon said.

Financial web future

Xero is increasing its focus on partnering with financial services to collaborate on innovation and data share standards, adding resources to its global team and building relationships with hundreds of financial institutions right around the world including in the key global financial hubs of New York, London, Singapore, Sydney and Melbourne.

“The future of finance is steeped in collaboration rather than competition between banking institutions and technology companies. This is vital to the success of small businesses, and also for the effective future operation of the financial services sector. We are working with financial and

fintech organisations around the world to securely open up data flows which can help de-risk lending and enable small businesses to access much-needed capital so that they can prosper,” Drury said.

“Working with more than 140 financial and fintech organisations around the world to establish a global financial web, Xero has worked on the strategy of placing our mutual small business banking customers at the centre of everything we do - we want to champion the cause of small business. It’s why we now work with top institutions right around the world, from HSBC in the UK and Asia to the Top Four in Australia and Wells Fargo in the US.”

About Xero

[Xero](#) is beautiful, easy-to-use online accounting software for small businesses and their advisors. The company has over one million subscribers in more than 180 countries. Xero seamlessly integrates with more than 500 apps. It was ranked No. 1 by Forbes as the [World's Most Innovative Growth Company](#) in both 2014 and 2015, won Technology Provider of the Year for the British Small Business Awards while Canstar Blue rated Xero Australia’s best accounting software in 2015 and 2016.

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