

Diebold Nixdorf A/S

Lautrupvang 8

2750 Ballerup

CVR No. 25516729

Annual Report 2018

1 January 2018 - 31 December 2018

18. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 23 May 2019

Christopher Joseph Monsour
Chairman

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Diebold Nixdorf A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Diebold Nixdorf A/S for the financial year 1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 23 May 2019

Executive Board

Jerker David Rustan

Man. Director

Supervisory Board

Christopher Joseph Monsour

Ben Major Gale

John Michael Ennis

Jerker David Rustan

Man. Director

Independent Auditor's Report

To the shareholders of Diebold Nixdorf A/S

Opinion

We have audited the financial statements of Diebold Nixdorf A/S for the financial year 1 January 2018 - 31 December 2018, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

Independent Auditor's Report

related disclosures made by Management.

- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

Morten Høgh-Petersen

State Authorised Public Accountant

mne34283

Diebold Nixdorf A/S

Company details

Company	Diebold Nixdorf A/S Lautrupvang 8 2750 Ballerup
Telephone	44778910
Website	www.dieboldnixdorf.com
CVR No.	25516729
Date of formation	21 July 2000
Registered office	Ballerup
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Christopher Joseph Monsour Ben Major Gale John Michael Ennis Jerker David Rustan, Man. Director
Executive Board	Jerker David Rustan, Man. Director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

Management's Review

The Company's principal activities

Diebold Nixdorf Group is one of the world's leading providers of IT solutions to banks and retailers aimed at optimizing of customers' business processes, essentially reducing complexity and cost, and improving service to the end customer.

The Group's approximately 25.000 employees globally design and deliver convenient, "always on" and highly secure solutions that bridge the physical and the digital worlds of transactions. Customers of the DN Group include nearly all of the world's top 100 financial institutions and a majority of the top 25 global retailers.

The Banking segment's proposition includes hardware, software, IT services, and consulting services. ATMs, cash recycling systems, automated teller safes and transaction terminals are key elements of the hardware portfolio. With specially developed software banks may manage processes throughout all distribution channels in more effective way, propose new services and at the same time increase availability and reliability of services provided to end-customers.

Through the Retail segment, Diebold Nixdorf also provides hardware, software, IT services, and consulting services. Key elements are programmable ePOS systems, self-checkout systems, electronic shelf-labeling and other related products. The software portfolio allows the entire control of all processes and systems within the branch.

For both retail banks and retailers our IT services ensure the maximum availability of installed IT systems.

Diebold Nixdorf in Nordics is developing its market positions mainly proposing advanced solutions and services and exploiting synergies between the existing business units and to utilizing the skills in different countries.

In the Nordic countries the financial markets are very mature, cashless and Internet-driven and new advanced technologies and solutions are often more applicable. The global focus on accelerating growth and improving margins of software and professional services will affect the Nordic region during the following years as well.

During the year Diebold Nixdorf A/S (Denmark) was showing good growth in volumes due to new contracts. We have also focused on increasing cost effectiveness during the year. In 2018 we gained some new customers in Denmark and substantially increased our service team in Denmark, taking over team members and cooperating on delivery issues with EG A/S.

We see a good potential for development of our business in Retail segment and preserving our customers in Bank segment in the future.

The Board and CEO appraises that the company does not face significant risks and uncertainties not covered by Diebold Nixdorf Group or beyond what is normal in the company's business areas.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 2.308.001 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 35.077.501 and an equity of DKK 6.743.844.

In the opinion of the management, the company turnover and profit before tax is according to the expectations for 2018.

Post financial year events

Diebold Nixdorf A/S has increased its maintenance and availability services team during 2018 and consolidation and optimization activities required change of office which happened in April 2019. Diebold Nixdorf A/S main office is now located in Glostrup, shared with sister-Diebold company Cryptera A/S.

Accounting Policies

Reporting Class

The Annual Report of Diebold Nixdorf A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit/loss includes net sales, other operating income and external costs.

Accounting Policies

Revenue

Income from the sale of goods and services is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale thereof.

Other external expenses

Other external expenses comprise expenses related to sales, administration, distribution, offices and operational leasing costs.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Goodwill	5 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Accounting Policies

Inventories

Inventories are measured at the lower of cost under the weighted average prices and net realisable value. Write-down is made for obsolescence, including slow-moving items.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other provisions

Other provisions comprise expected costs of warranty commitments. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Deferred income

Deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Diebold Nixdorf A/S

Income Statement

	Note	2018 T.DKK	2016/17 T.DKK
Gross profit		36.853	28.493
Employee benefits expense	1	-33.585	-25.722
Depreciation of tangible fixed assets		-269	-463
Profit from ordinary operating activities		2.999	2.308
Financial expenses to affiliated companies		-13	-43
Other financial expenses		-9	-19
Profit from ordinary activities before tax		2.977	2.246
Tax for the year		-669	-514
Profit		2.308	1.732
Proposed dividend		2.308	1.732
Distribution of profit		2.308	1.732

Balance Sheet as of 31 December

	Note	2018 T.DKK	2017 T.DKK
Goodwill		134	175
Intangible assets		134	175
Fixtures, fittings, tools and equipment		357	322
Property, plant and equipment		357	322
Deposits, investments		5	5
Investments		5	5
Fixed assets		496	502
Raw materials and consumables		668	774
Goods in progress		1.277	505
Inventories		1.945	1.279
Trade receivables		19.666	8.063
Receivables from group enterprises		12.005	14.519
Deferred tax assets		81	82
Other short-term receivables		0	26
Prepayments		852	775
Receivables		32.604	23.465
Cash at bank and in hand		33	33
Current assets		34.582	24.777
Assets		35.078	25.279

Balance Sheet as of 31 December

	Note	2018 T.DKK	2017 T.DKK
Contributed capital		600	600
Retained earnings		3.836	3.836
Proposed dividend recognised in equity		2.308	1.732
Equity	2	6.744	6.168
Provision for deferred tax		2	0
Provisions for warranty obligations		408	598
Provisions		410	598
Liabilities to the bank		2	1
Trade payables		10.223	6.622
Payables to group enterprises		4.279	2.106
Tax payables to group enterprises		667	38
Other payables		10.128	7.388
Deferred Revenue		2.625	2.358
Short-term liabilities other than provisions		27.924	18.513
Liabilities other than provisions within the business		27.924	18.513
Liabilities and equity		35.078	25.279
Related parties	3		
Contingent liabilities	4		

Notes

	2018	2016/17
1. Employee benefits expense		
Wages and salaries	31.023	23.613
Post-employment benefit expense	2.454	2.054
Social security contributions	108	55
	<u>33.585</u>	<u>25.722</u>
Average number of employees	<u>48</u>	<u>17</u>

2. Statement of changes in equity

	<u>Virksomhedskapital</u>	<u>Overført resultat</u>	<u>Forslag til udbytte</u>	<u>I alt</u>
Equity, beginning balance	600	3.836	1.732	6.168
Dividend paid	0	0	-1.732	-1.732
Proposed distribution of results	0	0	2.308	2.308
	<u>600</u>	<u>3.836</u>	<u>2.308</u>	<u>6.744</u>

The share capital has remained unchanged for the last 5 years.

The share capital consists of 600 shares of DKK 1.000 each.

The shares have not been divided into classes.

3. Related parties

The company is wholly owned subsidiary of Wincor Nixdorf International GmbH, Germany. The ultimate group owner is Diebold Nixdorf Inc, noted on New-York Stock Exchange NYSE. Business combination of Wincor Nixdorf group and Diebold group took place in August 2016.

4. Contingent liabilities

Operating leases:

The Company has entered into operating leasing for cars with a remaining lease amount of DKK 2.590 thousand (2016/17: DKK 2.099 thousand) and with a remaining lease term of up to 60 months.

The Company has a property lease equalling a liability of DKK 636 thousand (2016/17: DKK 65 thousand).

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the potential joint registration for VAT.

The total amount appears from the annual report of CRYPTERA A/S which is the administration company in the joint taxation.