Diebold Nixdorf A/S

Fabriksparken 20, 2600 Glostrup

CVR no. 25 51 67 29

Annual report 2022

Approved at the Company's annual general meeting on 12 July 2023

Chair of the meeting:

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Camilla C. Collet

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Diebold Nixdorf A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 12 July 2023
Executive Board:

Kenneth Sverker Nilsson
Man. director

Board of Directors:

Ben Major Gale Chair	Helena Birgitta Müller	Ewa Porebska

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We recommend that the annual report be approved at the annual general meeting.

Glostrup, 12 July 2023
Executive Board:

Kenneth Sverker Nilsson
Man. director

Board of Directors:

Ben Major Gale Chair	Helena Birgitta Müller	Ewa Porebska

Independent auditor's report

To the shareholder of Diebold Nixdorf A/S

Opinion

We have audited the financial statements of Diebold Nixdorf A/S for the financial year 1 January - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty related to going concern

We draw attention to the matters mentioned in Note 2 to the financial statements, that the parent group is going through a debt restructuring and that there is a material uncertainty related to the Danish company’s ability to be able to continue as a going concern.

We further draw attention to the matters mentioned in Note 2 to the financial statements, that the receivables from the group can be at risk due to the fact that the parent group is going through a debt restructuring and that there is a risk related to valuation of the intergroup receivables.

Our opinion is not modified in respect of these matters.

Management's responsibilities 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 as 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.

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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of the 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 skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the 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 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 note 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 the 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, 12 July 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised Public Accountant
mne34283

Management's review

Company details

Name	Diebold Nixdorf A/S
Address, Postal code, City	Fabriksparken 20, 2600 Glostrup
CVR no.	25 51 67 29
Established	21 July 2000
Registered office	Albertslund
Financial year	1 January - 31 December
Website	www.dieboldnixdorf.com
Board of Directors	Ben Major Gale, Chair Helena Birgitta Müller Ewa Porebska
Executive Board	Kenneth Sverker Nilsson, Man. director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø

Management's review

Business review

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 2022 Diebold Nixdorf A/S (Denmark) was showing a stable development. We have strengthened our service footprint in Denmark laying the foundation for future years.

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.

Financial review

The income statement for 2022 shows a profit of DKK 1.449 thousand against a profit of DKK 576 thousand last year, and the balance sheet at 31 December 2022 shows an equity of DKK 6.461 thousand.

The Diebold parent group is going through a debt reconstructing process in 2023. Group management has as part of this process laid forward a plan for the restructuring and financing of the operations for the future and has commenced execution of this plan in a highly consensual manner with a large majority of its lenders. The Diebold parent group is confident it will be successful in executing the plan and Danish management believes that the group will most likely succeed with this effort, but there is a group level going concern risk due to the situation. The Danish company's activity is not viable as a "standalone entity", and thus there is a material uncertainty related to going concern as of July 2023, though management expect that the group will successfully reconstruct during the fall of 2023.

Management's review

Events after the balance sheet date

Except from the reconstructing process of the Diebold parent group as mentioned above, no events affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Gross profit	40,394	35,272
4	Staff costs	-37,883	-33,294
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-39	-124
	Profit before net financials	2,472	1,854
5	Financial expenses	-600	-1,086
	Profit before tax	1,872	768
6	Tax for the year	-423	-192
	Profit for the year	1,449	576

	2022	2021
Recommended appropriation of profit		
Proposed dividend recognised under equity	1,449	0
Retained earnings	0	576
	1,449	576

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
	Intangible assets		
	Goodwill	0	33
		0	33
	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	0	6
		0	6
	Investments		
	Deposits, investments	5	5
		5	5
	Total fixed assets	5	44
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	631	893
	Work in progress	82	111
		713	1,004
	Receivables		
	Trade receivables	11,947	4,813
	Receivables from group enterprises	21,673	14,123
	Deferred tax assets	53	69
	Corporation tax receivable	42	0
	Prepayments	164	56
		33,879	19,061
	Cash	1,654	8,958
	Total non-fixed assets	36,246	29,023
	TOTAL ASSETS	36,251	29,067

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	600	600
	Retained earnings	4,412	4,412
	Dividend proposed	1,449	0
	Total equity	6,461	5,012
	Provisions		
	Provisions for warranty obligations	77	42
	Total provisions	77	42
	Liabilities other than provisions		
7	**Non-current liabilities other than provisions**		
	Other payables	3,316	3,316
		3,316	3,316
	Current liabilities other than provisions		
	Trade payables	11,647	5,281
	Payables to group enterprises	7,064	8,914
	Corporation tax payable	0	165
	Other payables	7,033	5,438
	Deferred income	653	899
		26,397	20,697
	Total liabilities other than provisions	29,713	24,013
	TOTAL EQUITY AND LIABILITIES	36,251	29,067

1 Accounting policies
2 Going concern considerations
3 Events after the balance sheet date
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Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2021	600	3,836	1,770	6,206
Transfer through appropriation of profit	0	576	0	576
Dividend distributed	0	0	-1,770	-1,770
Equity at 1 January 2022	600	4,412	0	5,012
Transfer through appropriation of profit	0	0	1,449	1,449
Equity at 31 December 2022	600	4,412	1,449	6,461

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Diebold Nixdorf A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

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.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

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 costs

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

Other staff expenses are recognised in other external expenses.

Depreciation

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:

Goodwill	5 years
Fixtures and fittings, tools and equipment	3-5 years

The residual value for intangible and tangible assets is 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 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised over 5 years, which is the expected economic life of the asset

Property, plant and equipment

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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments

Deposits are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Finished goods and work in progress 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

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

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

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.

Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

2 Going concern considerations

The Diebold parent group is going through a debt reconstructing process in 2023. Group management has as part of this process laid forward a plan for the restructuring and financing of the operations for the future and has commenced execution of this plan in a highly consensual manner with a large majority of its lenders. The Diebold parent group is confident it will be successful in executing the plan and Danish management believes that the group will most likely succeed with this effort, but there is a group level going concern risk due to the situation. The Danish company's activity is not viable as a "standalone entity", and thus there is a material uncertainty related to going concern as of July 2023, though management expect that the group will successfully reconstruct during the fall of 2023.

Due to the above matter, there is an increased risk that the group receivables cannot be repaid to the entity and that the valuation of group receivables could be at risk of write-down if the groups finances are not restructured.

3 Events after the balance sheet date

Except from the reconstructing process of the Diebold parent group as mentioned in the management's review, no events affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2022	2021
4	**Staff costs**		
	Wages/salaries	34,518	30,232
	Pensions	3,244	2,953
	Other social security costs	121	109
		37,883	33,294
	Average number of full-time employees	53	48
5	**Financial expenses**		
	Interest expenses, group entities	573	946
	Other financial expenses	27	140
		600	1,086
6	**Tax for the year**		
	Estimated tax charge for the year	400	165
	Deferred tax adjustments in the year	16	4
	Tax adjustments, prior years	7	23
		423	192

7 Non-current liabilities other than provisions

Of the long-term liabilities, TDKK 3.316 (TDKK 3.316) falls due for payment after more than 5 years after the balance sheet date.

8 Contractual obligations and contingencies, etc.

Contingent liabilities

	2022	2021
Leasing/rent obligations	5,183	5,229
	5,183	5,229

Financial statements 1 January - 31 December

Notes to the financial statements

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

10 Related parties

Diebold Nixdorf A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Wincor Nixdorf International GmbH	Germany	Parent

Information about consolidated financial statements

Parent	Domicile
Diebold Nixdorf Inc.	United States