

# Diebold Nixdorf A/S

Fabriksparken 20, 2600 Glostrup

CVR no. 25 51 67 29

## Annual report 2019

Approved at the Company's annual general meeting on 31 August 2020

Chairman:



.....  
Rene Lauxtermann

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## 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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 31 August 2020  
Executive Board:



.....  
Kenneth Sverker Nilsson

Board of Directors:

  
.....  
Jerker David Rustan  
Chairman

.....  
John Michael Ennis



.....  
Ben Major Gale

## 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 - 31 December 2019, 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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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' 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.

#### 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:

- ▶ 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.

## Independent auditor's report

- ▶ 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, 31 August 2020

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	<a href="http://www.dieboldnixdorf.com">www.dieboldnixdorf.com</a>
Board of Directors	Jerker David Rustan, Chairman John Michael Ennis Ben Major Gale
Executive Board	Kenneth Sverker Nilsson
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 2019 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 2019 shows a profit of DKK 1,868 thousand against a profit of DKK 2,308 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 6,304 thousand.

In the opinion of the management, the company turnover and profit before tax is according to the expectations for 2019.

### Events after the balance sheet date

After the pandemic worldwide outbreak our outlook in Denmark has not significantly changed. In the mid-term we forecast mild to moderate impact to our business mainly in our hardware sales. In May 2020 our sister company Cryptera A/S changed ownership and our joint taxation situation in Denmark will be changed from May 2020.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	<b>Gross profit</b>	35,142	36,853
2	Staff costs	-32,515	-33,585
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-171	-269
	<b>Profit before net financials</b>	2,456	2,999
3	Financial expenses	-53	-22
	<b>Profit before tax</b>	2,403	2,977
	Tax for the year	-535	-669
	<b>Profit for the year</b>	1,868	2,308
	 <b>Recommended appropriation of profit</b>		
	Proposed dividend recognised under equity	1,868	2,308
		1,868	2,308



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
	<b>Intangible assets</b>		
	Goodwill	100	134
		100	134
	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	220	357
		220	357
	<b>Investments</b>		
	Deposits, investments	5	5
		5	5
	<b>Total fixed assets</b>	325	496
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Raw materials and consumables	475	668
	Work in progress	94	1,277
		569	1,945
	<b>Receivables</b>		
	Trade receivables	30,327	19,666
	Receivables from group enterprises	9,882	12,005
	Deferred tax assets	48	81
	Prepayments	387	852
		40,644	32,604
	<b>Cash</b>	97	33
	<b>Total non-fixed assets</b>	41,310	34,582
	<b>TOTAL ASSETS</b>	41,635	35,078

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
4	Share capital	600	600
	Retained earnings	3,836	3,836
	Dividend proposed	1,868	2,308
	<b>Total equity</b>	<b>6,304</b>	<b>6,744</b>
	<b>Provisions</b>		
	Provision for deferred tax	0	2
	Provisions for warranty obligations	1,019	408
	<b>Total provisions</b>	<b>1,019</b>	<b>410</b>
	<b>Liabilities other than provisions</b>		
5	<b>Non-current liabilities other than provisions</b>		
	Other payables	1,097	0
		<b>1,097</b>	<b>0</b>
	<b>Current liabilities other than provisions</b>		
	Bank debt	0	2
	Prepayments on work in progress	784	0
	Trade payables	15,473	10,223
	Payables to group enterprises	2,160	4,279
	Corporation tax payable	504	667
	Other payables	12,034	10,128
	Deferred income	2,260	2,625
		<b>33,215</b>	<b>27,924</b>
	<b>Total liabilities other than provisions</b>	<b>34,312</b>	<b>27,924</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,635</b>	<b>35,078</b>

1 Accounting policies

6 Contractual obligations and contingencies, etc.

7 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2019	600	3,836	2,308	6,744
Transfer through appropriation of profit	0	0	1,868	1,868
Dividend distributed	0	0	-2,308	-2,308
<b>Equity at 31 December 2019</b>	<b>600</b>	<b>3,836</b>	<b>1,868</b>	<b>6,304</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The Annual Report of Diebold Nixdorf A/S for 2019 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.

#### 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 Annual Report is presented in Danish kroner.

#### Foreign currency translation

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### 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.

###### Gross profit

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.

###### 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.

###### 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:

Goodwill	5 years
Other 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 statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Tax

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.

##### 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.

##### 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.

##### Prepayments

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

##### Cash

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

##### Equity

##### Proposed dividends

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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.

##### Current tax liabilities/receivables

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018
<b>2 Staff costs</b>		
Wages/salaries	30,120	31,023
Pensions	2,297	2,454
Other social security costs	98	108
	<u>32,515</u>	<u>33,585</u>
 Average number of full-time employees	 <u>41</u>	 <u>48</u>
 <b>3 Financial expenses</b>		
Other financial expenses	53	22
	<u>53</u>	<u>22</u>
 <b>4 Share capital</b>		
Analysis of the share capital:		
600 shares of DKK 1,000.00 nominal value each	600	600
	<u>600</u>	<u>600</u>

The Company's share capital has remained DKK 600 thousand over the past 5 years.

The shares have not been divided into classes.

### 5 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 1,097 thousand falls due for payment after more than 5 years after the balance sheet date.

### 6 Contractual obligations and contingencies, etc.

#### Contingent liabilities

Car Lease	4,682	2,590
Property lease	1,044	636
	<u>5,726</u>	<u>3,226</u>

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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Related parties

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

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Diebold Nixdorf Inc	USA	Ultimate parent
Wincor Nixdorf International GmbH	Germany	Parent