

Diebold Nixdorf Aktiengesellschaft, Paderborn

Balance Sheet as of December 31, 2017

Assets

		Dec. 31, 2017	Sept. 30, 2017
	Note	EUR	EUR
A. Non-current assets			
Financial assets	(1)		
Shares in affiliated companies		267.299.771,18	267.299.771,18
B. Current assets			
Receivables and other assets	(2)		
1. Receivables from affiliated companies		179.183.973,04	178.452.758,55
2. Other assets		1.409.283,31	3.555.900,82
		180.593.256,35	182.008.659,37
C. Deferred income	(3)	77.665,44	25.156,00
		447.970.692,97	449.333.586,55

Equity and Liabilities

		Dec. 31, 2017	Sept. 30, 2017
	Note	EUR	EUR
A. Equity	(4)		
I. Subscribed capital		33.084.988,00	33.084.988,00
II. Additional paid-in capital		44.421.416,14	44.421.416,14
III. Net retained profits		323.283.683,03	323.283.683,03
		400.790.087,17	400.790.087,17
B. Provisions	(5)		
1. Provisions for pensions and similar obligations		7.554.672,17	7.490.511,16
2. Tax provisions		20.988.650,06	22.233.550,06
3. Other provisions		8.055.652,19	9.444.129,36
		36.598.974,42	39.168.190,58
C. Liabilities			
1. Trade payables	(6)	266.831,16	429.867,68
2. Liabilities to affiliated companies	(7)	108,53	242,00
3. Other liabilities	(8)	10.314.691,69	8.945.199,12
– thereof tax liabilities EUR 4,697,976.74 (prev. yr. EUR 3,798,660.81) –			
– thereof social security liabilities EUR 91.00 (prev. yr. EUR 10,261.29) –			
		10.581.631,38	9.375.308,80
		447.970.692,97	449.333.586,55

Diebold Nixdorf Aktiengesellschaft, Paderborn

Income Statement for the Period from October 1, 2017 to December 31, 2017

		Oct. 1, 2017 – Dec. 31, 2017	Oct. 1, 2016 – Sep. 30, 2017
	Note	EUR	EUR
1. Net sales	(9)	1.733.429,03	14.020.090,05
2. Cost of sales	(10)	-1.594.890,58	-12.782.870,34
3. Gross profit		138.538,45	1.237.219,71
4. General administrative expenses	(11)	-1.658.631,69	-14.651.683,76
5. Other operating income	(12)	1.471.777,16	178.597,27
6. Income from investments	(13)	706,55	6.799.989,66
– thereof from affiliated companies EUR 706.55 (prev. yr. EUR 6,799,989.56) –			
7. Income from profit and loss transfer agreements	(14)	42.600.832,00	133.623.470,54
– thereof from affiliated companies EUR 42,600,832.00 (prev. yr. EUR 133,623,470.54) –			
8. Other interest and similar income	(15)	0,00	496.014,84
– thereof from affiliated companies EUR 0.00 (prev. yr. EUR 2,402.85) –			
9. Interest and similar expenses	(15)	-145.921,69	-297.481,74
– thereof to affiliated companies EUR 0.00 (prev. yr. EUR –23,681.74) –			
10. Income taxes	(16)	333.871,15	-3.763.252,59
11. Profit after tax		42.741.171,93	123.622.873,93
12. Profit transferred under a profit and loss transfer agreement	(17)	-42.741.171,93	-123.622.873,93
13. Net income for the year		0,00	0,00
14. Retained profits brought forward	(18)	323.283.683,03	323.283.683,03
15. Net profit		323.283.683,03	323.283.683,03

Diebold Nixdorf Aktiengesellschaft, Paderborn

Notes to the financial statements for the abbreviated fiscal year from October 1, 2017 to December 31, 2017

General Information

Diebold Nixdorf Aktiengesellschaft is headquartered in Paderborn (hereinafter referred to as “Diebold Nixdorf AG” or also “the Company”) and entered in the Commercial Register of Paderborn Local Court under HRB 6846. The object of the Company is to manage its subsidiaries in its capacity as a holding company and to provide them with service functions.

At the Ordinary Annual General Meeting on January 23, 2017 in Paderborn, the shareholders of Diebold Nixdorf Aktiengesellschaft approved all agenda items with clear majority. This included the decision to convert the Company’s fiscal year to the calendar year, which took effect upon registration in the commercial register.

Diebold Nixdorf AG is the consolidated tax group parent responsible for all value added tax and income tax matters relating to the companies in Germany included in the fiscal union. The Company is also part of an income and value-added tax group with Diebold Nixdorf KGaA as the consolidated tax group parent.

Accounting and Valuation Methods

General Principles

The separate financial statements of Diebold Nixdorf AG are prepared in accordance with the general provisions of the Handelsgesetzbuch (HGB – German Commercial Code) as applicable to large corporations and the Aktiengesetz (AktG – German Stock Corporation Act).

Due to the integration into Diebold Nixdorf, Incorporated, North Canton, Ohio, USA (hereinafter referred to as “Diebold Nixdorf, Inc.”) and harmonization with the Group’s practices as a result, the fiscal year presented here represents an abbreviated fiscal year. The figures presented for the equivalent period refer to a full fiscal year and are therefore not comparable. There was no comparison done for the previous year from October 1, 2016 to December 31, 2016 as this would be very limited or not meaningful. On the basis of the agreements the Company has concluded, receipt of its main income arising from profit and loss transfer agreements and the transfer of profits and losses to Diebold Nixdorf KGaA are only effected at the end of each fiscal year. For that reason, there are no figures available for the prior-year quarter. Sales relate to the invoicing of costs incurred in a closed fiscal year and are only recognized as advance payments throughout the year. The costs for the same quarter of the previous year vary greatly, as they are dependent on the services procured and provisions recognized for items such as the annual financial statements or the annual report. Personnel expenses are also subject to fluctuations due to the Board of Directors’ new compensation components, which are based on the share price of Diebold Nixdorf, Incorporated.

Accounting and Valuation Principles

Non-current assets

Financial assets are recognized at cost less any write-downs made necessary by permanent impairment.

Current assets

Receivables and other assets are recognized at their nominal amount. Adequate impairment allowances are made where necessary.

Payments recorded before the balance sheet date are recorded as pre-paid expenses, provided they represent expenditure for a particular period after this date.

Provisions and liabilities

Provisions for pensions and similar obligations are recognized for current and future pensioners in accordance with actuarial principles, using the PUC method and an interest rate of 3.68%, a rate of salary increase of 3.00% and a rate of pension increase of 1.5%. The Heubeck 2005G mortality tables were used as the basis for calculations. Pursuant to Section 253 (2) sentence 1 of the HGB, the pension provisions were discounted using the average market interest rate of the previous ten fiscal years. Compared to September 30, 2015, the average market interest rate based on the last 7-year period was used. The difference resulting from these different periods was valued at €474k as of December 31, 2017 and, pursuant to Section 253 (6) of the HGB, may not be distributed.

Other provisions are recognized in appropriate and adequate individual amounts for all discernible risks from uncertain liabilities.

Liabilities and provisions are recognized at their settlement amount on the reporting date.

Taxes

All obligations and claims that arose in the fiscal year or in previous years are reported in accordance with the tax regulations applicable to the Company.

Notes to the balance sheet

1. Financial assets

Shares in affiliated companies relate to shares in the following companies: WINCOR NIXDORF International GmbH, Paderborn (hereinafter referred to as WINCOR NIXDORF International GmbH) (€257,169k, 100%), LLC WINCOR NIXDORF Moscow, Russia (€6,800k), Diebold Self-Service Limited Liability Company (€3,329k), Pt. Wincor Nixdorf Indonesia, Jakarta Selatan, Indonesia (€2k, 0.250%), and Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/São Paulo, Brazil (€0.32, 0.001%). The remaining shares in the latter two companies are held by WINCOR NIXDORF International GmbH.

2. Receivables and other assets

Receivables from affiliated companies mainly include €177,046k (previous year: €176,604k) for receivables from WINCOR NIXDORF International GmbH. Receivables from shareholder Diebold Nixdorf KGaA consist of €40k (previous year: €31k).

Other assets mainly include claims for tax refunds with respect to capital gains tax of €534k (previous year: €534k), to withholding tax of €669k (previous year: €669k) and to income taxes including interest of €161k (previous year: €2,322k).

Receivables and other assets fall due within one year.

3. Prepaid expenses

This item relates to payments for miscellaneous services and insurances of €78k (previous year: €25k).

The prepaid expenses have a remaining term of up to one year.

4. Equity

The individual components of Diebold Nixdorf AG's equity changed as follows in the fiscal year:

in € thousand

	Subscribed capital	Capital reserves		Distributable profits	Equity
		Section 272 (2) no.1	Section 272 (2) no.4		
October 1, 2017	33,085	3,308	41,113	323,284	400,790
Net income for the year				0	0
December 31, 2017	33,085	3,308	41,113	323,284	400,790

Subscribed capital

The Company's share capital of €33,085k is divided up into 33,084,988 shares, each representing one vote. As of the reporting date, an affiliated company held 3,268,777 treasury shares granting no voting rights.

As of the balance sheet date on December 31, 2017, Diebold Nixdorf KGaA held a total of 22,933,935 shares of Diebold Nixdorf AG, corresponding to a share of 69.3%.

Authorized Capital

As the result of a resolution at the Annual General Meeting (AGM) on January 20, 2014, the Board of Directors has been authorized to increase the Company's subscribed capital with the Supervisory Board's approval by up to €16,542k through the issue of new ordinary bearer shares for cash and/or in-kind contributions, under single or multiple initiatives, up to January 19, 2019 (Authorized Capital 2014).

Contingent Capital

The Company's share capital has been conditionally increased by up to €1,654k, divided into up to 1,654,249 ordinary bearer shares (Contingent Capital I 2014). On January 25, 2016, the AGM resolved to rescind Article 4 (7) sentence 2 of the Articles of Association (Contingent Capital I 2014) and to replace it with the following:

This Contingent Capital increase is to be used exclusively to cover stock options issued to members of the Company's Board of Directors, board members of subordinate affiliated companies in Germany and abroad, and to other executives and employees of the Company and its subordinate affiliated companies as detailed in the provisions of the authorization resolved by the AGM on January 20, 2014 and as detailed in the provisions of the authorization resolved by the AGM on January 20, 2014 in the amended form resolved on by the AGM on January 25, 2016.

On January 21, 2013, the AGM resolved to conditionally increase the Company's share capital by up to €10,000k, divided up into a maximum of 10,000,000 bearer shares (Contingent Share Capital II). The Contingent Capital increase shall be used for the purpose of granting option rights or option obligations, in accordance with the option conditions, to the holders of warrants from participatory certificates with warrants and/or bonds with warrants or to grant conversion rights or conversion obligations, in accordance with the conversion conditions, to the holders of convertible participatory certificates and/or convertible bonds that are issued by the Company, or by a dependent Group entity of the Company within the meaning of Section 17 of the AktG, by January 20, 2018, pursuant to the authorization adopted by the AGM on January 21, 2013.

Stock option programs

The Company has set up 13 stock option programs for managers since 2004 (2004 – 2016). Of these, the 2014 – 2016 programs are still running:

The Company launched stock option programs 2014, 2015 and 2016 for managers on March 26, 2014, March 25, 2015 and April 12, 2016 issuing 678,361, 717,048 and 714,470 options respectively for respective exercise prices of €62.94, €49.20 and €59.49. The vesting period of the share options is four years in each case. Each share option entitles the bearer to purchase one share in the Company at the exercise price. There is no limit to the profit that can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average share price on the 30 stock exchange trading days immediately preceding issue of the stock options; it takes into account distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. Thus far, the target criteria have never been lowered during the life of the programs. The options can be exercised within a period of ten stock exchange trading days in Xetra on the

Frankfurt Stock Exchange, commencing on the first stock exchange trading day following expiration of the vesting period of four years (exercise period). The exercise conditions also stipulate that the declaration of exercise may or must be issued during the specified four-year vesting period, within the last ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company may settle the options on a cash basis only. It is a fundamental requirement that the holder of the option remains employed at the Company until the end of the vesting period.

During the 2016/2017 fiscal year, Diebold Nixdorf, Inc. as a majority shareholder in Diebold Nixdorf AG offered the beneficiaries of the stock option programs 2014 to 2016 a cash incentive program to allow eligible employees to participate in the change of the value of the joint company, which in future will be based on the share price performance of Diebold Nixdorf, Inc. The offer was accepted by the beneficiaries with a large majority in replacement of their outstanding stock options. The performance-based cash incentive rewards offers the possibility of a cash payment. Performance is based on the development of the share price of Diebold Nixdorf, Inc. on the New York Stock Exchange.

Capital reserves

Capital reserves as defined in Section 272 (2) no. 4 of the HGB amounted to €41,113k as of December 31, 2017.

Pursuant to Section 253 (2) sentence 1 of the HGB, pension provisions were discounted using the average market interest rate of the previous ten fiscal years. By contrast, the average market interest rate of the previous seven fiscal years was applied up to the previous year's reporting date. The excess resulting from these time periods amounted to €474k as of December 31, 2017 (previous year: €486k) and, pursuant to Section 253(6) of the HGB, may not be distributed.

Treasury shares

As of the reporting date, an affiliated company held 3,268,777 Diebold Nixdorf AG shares (previous year: 3,268,777). This is equivalent to €3,269k in share capital (previous year: €3,269k) or 9.88% of the total share capital (previous year: 9.88%). These shares are recognized in the balance sheet of the affiliated company at cost for an amount of €170,482k (previous year: €170,482k).

The repurchased shares are intended for all legally admissible purposes and covered by the authorization granted by the AGM, in particular to fulfill the Company's obligations with respect to stock options. The Company may not trade in its treasury shares.

5. Provisions

	in € thousand	
	Dec. 31, 2017	Sep. 30, 2017
Provisions for pensions and similar obligations	7,555	7,490
Tax provisions	20,988	22,234
Other provisions	8,056	9,444
	36,599	39,168

Provisions for pensions and similar obligations are recognized using actuarial calculations in accordance with the PUC method and on the basis of the 2005G mortality tables of Prof. Heubeck. The provisions cover all contractually agreed pension benefits. Aside from obligations from employer-financed pension commitments, obligations in connection with the employee-financed supplementary company pension in the amount of €375k (previous year: €371k) are also recognized under provisions for pensions and similar obligations.

The tax provisions comprise €3,006k (previous year: €3,043k) for trade tax and €17,982k (previous year: €19,191k) for corporation tax. The provisions recognized as of the reporting date relate in full to previous years.

Other provisions comprise €6,100k (previous year: €7,570k) in provisions for the Cash Conversion Program and €774k (previous year: €651k) in provisions mainly for the Stock Option Program. They also include €483k (previous year: €675k) in provisions for preparation of the annual financial statements, €146k (previous year: €124k) for the annual report and €262k (previous year: €262k) for auditing costs as well as €291k (previous year: €162k) in miscellaneous other provisions.

The provisions for stock option programs are allocated on a pro rata basis over the vesting period in line with the fair value of the options at the reporting date. The total value of the stock options at the date of issue was determined by means of the Black-Scholes-Merton options pricing model.

With the aim of harmonizing performance-based compensation, on April 25, 2017, the Compensation Committee of the Board of Directors of Diebold Nixdorf, Incorporated approved the one-time offer to certain employees to replace the outstanding stock options of Diebold Nixdorf AG held by employees with performance-based variable compensation ("DN Performance Awards"). Granting Diebold Nixdorf Performance Awards constituted the employee's consent to terminate the outstanding options. The offer by Diebold Nixdorf AG described above related to the options exercisable in March 2018, 2019 and 2020. The first exercise date and the value of the in-the-money stock options were different for each tranche of the stock options; therefore, each tranche was replaced by a Diebold Nixdorf Performance Award with the same valuation date (e.g. 2018, 2019 or 2020). In addition, each award is structured in such a way that its target value corresponds to approximately the original value of the terminated options in the money, the threshold value approximately equal to the value above which the option no longer has a positive intrinsic value (i.e. under water), and at the upper limit equates to about 155% of the Diebold Nixdorf, Inc. share price. The Diebold Nixdorf Performance Awards are based on the Diebold Nixdorf, Inc. share price of USD 26.18. This results in the need to

recognize provisions of €6,100k (previous year: €7,570k) for Diebold Nixdorf AG on the balance sheet date.

6. Trade payables

The trade payables are due for settlement in full within one year.

7. Liabilities to affiliated companies

Liabilities to affiliated companies concern liabilities to companies belonging to the Diebold Nixdorf Group. They do not include liabilities to shareholders. All these liabilities are due for settlement in full within one year.

8. Other liabilities

This item includes €5,287k (previous year: €4,934k) for payroll liabilities. Other key components include €4,517k (previous year: €3,620k) in corporation tax liabilities in accordance with Section 16 of the Körperschaftsteuergesetz (KStG – German Corporation Income Tax Law) which arose in connection with the settlement payment to be made by Diebold Nixdorf KGaA, €482k (previous year: €360k) in liabilities to members of the Supervisory Board and €29k (previous year: €31k) in liabilities from sales taxes.

Other liabilities are due for settlement in full within one year.

NOTES TO THE INCOME STATEMENT

Classification of accounts

The income statement is structured in accordance with the cost of sales method.

9. Net sales

Sales of €1,733k (previous year: €14,020k) relate to amounts invoiced to affiliated companies.

10. Production costs of goods and services incurred to generate sales

The production costs of goods and services of €1,595k (previous year: €12,783k) incurred to generate sales relate to the costs for invoicing affiliated companies.

11. General and administrative expenses

General administrative expenses of €1,659k (previous year: €14,652k) mainly comprise personnel expenses, advisory costs and expenses for the Supervisory Board, the annual report and the AGMs.

12. Other operating income

Other operating income in the current fiscal year amounts to €1,472k and relates to the reversal of provisions of €1,470k (previous year: €179k).

13. Income from investments

Income from investments for the abbreviated fiscal year of €1k relates to a dividend distributed by a foreign subsidiary. Investment income of €6,800k from the previous year results from a non-cash dividend paid by WINCOR NIXDORF International GmbH.

14. Income from profit and loss transfer agreements

On December 10, 2007, WINCOR NIXDORF International GmbH and Diebold Nixdorf AG concluded a profit and loss transfer agreement, which took effect as of October 1, 2007. On December 31, 2017, WINCOR NIXDORF International GmbH's accounting profit of €42,601k (previous year: €133,623k) was transferred to Diebold Nixdorf AG.

15. Net interest result

		in € thousand
	Oct. 31, 2017 – Dec. 31, 2017	Oct. 1, 2016 – Sep. 30, 2017
Other interest and similar income	0	496
Thereof from affiliated companies	(0)	(2)
Interest and similar expenses	-146	-297
Thereof to affiliated companies	(0)	(-24)
	-146	199

Interest and similar expenses include the interest component of additions to provisions for pensions and similar obligations of €71k (previous year: €265k).

16. Taxes on income and profit

		in € thousand
	Oct. 31, 2017– Dec. 31, 2017	Oct. 1, 2016 – Sep. 30, 2017
Trade tax	-23	-617
Corporation tax	-311	4,380
	-334	3,763

The tax expense for the period includes corporation tax income of €1,214k from other accounting periods and trade tax of €-23k. In the previous year, corporation tax expenses of €760k from other accounting periods and trade tax income of €617k from other accounting periods were recognized.

17. Transfer of profits and losses

A control and profit and loss transfer agreement is in place between Diebold Nixdorf KGaA and Diebold Nixdorf AG effective October 1, 2016. Accordingly, net profit after tax of €42,741k (previous year: €123,623k) was transferred.

18. Retained profits brought forward

The net retained profits of €323,284k were brought forward.

Other disclosures

Cost of materials

	in € thousand	
	Oct. 31, 2017– Dec. 31, 2017	Oct. 1, 2016 – Sep. 30, 2017
Cost of bought-in services	300	548

Personnel expenses

	in € thousand	
	Oct. 31, 2017– Dec. 31, 2017	Oct. 1, 2016 – Sep. 30, 2017
a) Payroll expense	1,972	19,662
b) Social security charges and expenditure on retirement pensions and support	115	906
Thereof expenditure on retirement pensions	(24)	(505)
	2,087	20,568

The Company had an average of 32 employees during the fiscal year (previous year: 32).

Group affiliation

The Company is the parent company of the Diebold Nixdorf AG Group. The group financial statements of Diebold Nixdorf AG were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB), London, as adopted by the European Union and the supplementary provisions of German commercial law to be applied in accordance with Section 315e (1) of the HGB. The group financial statements are published in the electronic German Federal Gazette (*Bundesanzeiger*). The Group financial statements of Diebold Nixdorf AG represent the smallest group of consolidated companies.

In August 2016, Diebold Nixdorf KGaA acquired a majority interest in Diebold Nixdorf Aktiengesellschaft. On September 26, 2016, the shareholders of Diebold Nixdorf AG resolved at an extraordinary general meeting to conclude a control and profit and loss transfer agreement with Diebold Nixdorf KGaA. This agreement became effective upon entry in the Commercial Register of Paderborn (Germany) on February 14, 2017.

As of December 31, 2017, the reporting company's accounts will be included in the consolidated financial statements of Diebold Nixdorf, Inc. headquartered in North Canton, Ohio, USA. The Group financial statements of Diebold Nixdorf, Inc. represent the largest group of consolidated companies.

Shareholdings

€ thousands

	Equity	Profit/loss after tax	Capital share (in %)
I. Direct equity interests			
WINCOR NIXDORF International GmbH, Paderborn (Germany)	177,992	0 ^{1) 2)}	100
PT. Wincor Nixdorf Indonesia, Jakarta Selatan (Indonesia)	25,556	1,551	0.22 ³⁾
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/ São Paulo (Brazil)	-6,252	-1,716 ¹¹⁾	0.001 ⁴⁾
LLC WINCOR NIXDORF, Moscow (Russia)	6,234	596	100
Diebold Self-Service Ltd. Liability, Moscow (Russia)	3	-2 ⁷⁾	100
II. Indirect equity interests			
Germany			
AEVI International GmbH, Paderborn	26,992	-1,047	86.64
Bankberatung Organisations- und IT-Beratung für Banken AG, Hannover	3,591	586	92.54
BC & S GmbH Bank Consulting & Solutions, Würselen	242	73 ⁷⁾	26.5
Diebold Nixdorf Deutschland GmbH, Paderborn	25	0 ¹⁰⁾	100
Diebold Nixdorf Banking Consulting GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Business Administration Center GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Customer Care GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Facility Services GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Global IT Operations GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Global Logistics GmbH, Paderborn	51	0 ^{1) 2)}	100
Diebold Nixdorf Grundstücksverwaltung Ilmenau GmbH & Co. KG, Paderborn	3,500	0 ^{5) 6)}	100
Diebold Nixdorf Logistics GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Lottery Solutions GmbH, Paderborn	1,454	8	100
Diebold Nixdorf Portavis GmbH, Hamburg	19,412	714	68
Diebold Nixdorf Real Estate GmbH & Co. KG, Paderborn	27,627	0 ^{5) 6)}	100
Diebold Nixdorf Retail Consulting GmbH, Paderborn	70	0 ^{1) 2)}	100
Diebold Nixdorf Retail Services GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Security GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Services GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Technology GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Visio GmbH, Paderborn	25	0 ^{1) 2)}	100
IP Management GmbH, Paderborn	1,225	0 ^{1) 2)}	100
Projective BC Germany GmbH, Frankfurt am Main	-213	-237 ¹⁰⁾	53.07
Prosystems IT GmbH, Bonn	3,000	0 ^{1) 2)}	100
TSG Tankstellen-Support GmbH, Köln	463	0 ^{1) 2)}	100
WINCOR NIXDORF Facility GmbH, Paderborn	197,000	0 ^{1) 2)}	100
WINCOR NIXDORF Immobilien Geschäftsführungs GmbH, Paderborn	29	0	100 ⁹⁾
WINCOR NIXDORF Immobilien GmbH & Co. KG, Paderborn	18,936	582	100 ⁸⁾
WINCOR NIXDORF Manufacturing GmbH, Paderborn	57,370	0 ^{1) 2)}	100

1) Profit and loss transfer agreement

2) The company is exempted from auditing and disclosure of its annual financial statements and management report (if required) under section 264(3) of the German Commercial Code (HGB)

3) WINCOR NIXDORF International GmbH, Paderborn, directly holds 87.12% of the shares.

4) WINCOR NIXDORF International GmbH, Paderborn, directly holds 99.999% of the shares.

5) The profit is attributed to the shareholder.

6) The company is exempted from auditing and disclosure of its annual financial statements and management report (if required) under section 264b of the German Commercial Code (HGB).

7) Annual financial statements as of December 31, 2016

8) 94% transferred to Wincor Nixdorf Pension Trust e.V.

9) Transferred to Wincor Nixdorf Pension Trust e.V.

10) First annual financial statements as of December 31, 2017

11) Annual financial statements as of September 30, 2017

€ thousands

	Equity	Profit/loss after tax	Capital share (in %)
Europe			
Projective NV , Diegem (Belgium)	4,516	1,011	53.07
WIK Consulting BVBA , Diegem (Belgium)	491	-70	53.07
Diebold Nixdorf A/S, Ballerup (Danmark)	682	36	100
Diebold Nixdorf Oy, Espoo (Finland)	2,192	491	100
Diebold Nixdorf SAS, Vélizy- Villacoublay (France)	54,975	1,999	100
Diebold France SARL, Guyancourt (France)	18,114	1,643 ²⁾	100
Projective BC France, Paris (France)	-111	-131	53.07
Diebold Nixdorf Information Systems S.A., Kifisia/ Athens (Greece)	1,082	215	100
Aevi UK Limited, Bracknell / Berkshire (United Kingdom)	-810	-461	86.64
Projective London Ltd., London (United Kingdom)	220	51	53.07
Diebold Nixdorf Banking Services Limited, Bracknell, Berkshire (United Kingdom)	28	7	100
DIEBOLD NIXDORF (UK) LIMITED, Bracknell, Berkshire (United Kingdom)	18,905	1,875	100
Diebold Nixdorf (Ireland) Limited, Dublin (Ireland)	1,731	-707	100
Diebold Nixdorf S.r.l. , Basiglio / Milan (Italy)	5,286	1,488	100
Diebold Nixdorf Finance Malta Holding Limited , St. Julians (Malta)	106,724	-2	100
Diebold Nixdorf Finance Malta Limited, St. Julians (Malta)	104,240	71	100
Wincor Nixdorf Pension Malta Asset Management Civil Partnership , St. Julian's (Malta)	45,201	-105	100 ¹⁾
Wincor Nixdorf Pension Malta Holding Ltd., St. Julian's (Malta)	90,391	-33	100 ¹⁾
Wincor Nixdorf Pension Malta Ltd., St. Julian's (Malta)	89,344	26	100 ¹⁾
CROWN B.V., Delft (Netherlands)	-81	-681 ³⁾	50
Projective Biz B.V., WP's Gravenhage (Netherlands)	1,054	233	53.07
SecurCash B.V., Rotterdam (Netherlands)	7,786	583 ³⁾	100
SecurCash Geldverwerking B.V., Delft (Netherlands)	42,244	-98 ³⁾	100
SecurCash Nederland B.V., Delft (Netherlands)	8,444	-8,469 ³⁾	100
Diebold Nixdorf B.V., Delft (Netherlands)	16,807	5,161	100
Diebold Nixdorf Global Solutions B.V., Utrecht (Netherlands)	832	-26	100
Diebold Nixdorf Software Partner B.V., Utrecht (Netherlands)	29	0	100
Diebold Nixdorf Software CV, Utrecht (Netherlands)	-111	-581	100
DIEBOLD NIXDORF AS, Oslo (Norway)	1,123	286	100
Diebold Nixdorf BPO Sp.z.o.o. , Warsaw (Poland)	2,292	-1,114	100
Diebold Nixdorf Sp. z o.o. , Warsaw (Poland)	12,982	3,533	100
Diebold Nixdorf Portugal, Unipessoal, Lda., Camaxide (Portugal)	2,053	-158	100
LLC MCES , Moscow (Russia)	0	-6 ²⁾	49.9
Diebold Nixdorf AB, Solna (Sweden)	5,000	1,678	100

1) Transferred to Wincor Nixdorf Pension Trust e.V.

2) Annual financial statements as of December 31, 2016

3) Annual financial statements as of September 30, 2016

€ thousands

	Equity	Profit/loss after tax	Capital share (in %)
Europe			
BEB Industrie- Elektronik AG, Burgdorf (Switzerland)	4,461	2,691	100
CI Tech Components AG, Burgdorf (Switzerland)	-2,002	-8,603	25
CI TECH Sensors AG, Burgdorf (Switzerland)	11,083	1,519	75
Diebold Nixdorf Finance AG, Baar (Switzerland)	1,351	-3 ¹⁾	100
DIEBOLD NIXDORF s.r.o., Bratislava (Slovakia)	2,407	326	100
Dynasty Technology Group, S.A.U., Madrid (Spain)	4,560	1,643	100
DIEBOLD NIXDORF SL, Madrid (Spain)	13,578	6,863	100
Aevi CZ s.r.o., Prague (Czech Republic)	2,001	-1,458	86.64
Diebold Nixdorf s.r.o., Prague (Czech Republic)	8,984	4,692 ¹⁾	100
Diebold Nixdorf Retail Solutions s.r.o., Prague (Czech Republic)	-686	-1,931 ³⁾	100
Diebold Nixdorf Teknoloji AS, Kadikoy / Istanbul (Turkey)	10,955	-541	100
Altus Bilisim Hizmetleri Anonim Sirketi (Turkey)	595	-347	100
LLC DIEBOLD NIXDORF, Kiev (Ukraine)	-427	0	100
Diebold Nixdorf Kft., Budapest (Hungary)	3	0	100
Americas			
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/ São Paulo (Brazil)	-6,252	-1,716 ³⁾	99.999
Wincor Nixdorf Canada Inc., Mississauga/ Ontario (Canada)	3,076	-369	100
Wincor Nixdorf IT Support S.A. de C.V., Mexiko-Stadt (Mexiko)	4,649	575 ²⁾	99.998
Wincor Nixdorf S.A. de C.V., Mexiko-Stadt (Mexiko)	92,602	6,262 ²⁾	100
Wincor Nixdorf Inc., Austin (U.S.)	6,565	50	100
IT SOLUCIONES INTEGRALES, C.A., Barquisimeto, Lara (Venezuela)	15	0 ³⁾	100
Wincor Nixdorf C.A., Caracas (Venezuela)	9,270	534 ³⁾	100
Asia/Pacific			
Diebold Nixdorf (Hong Kong) Limited , New Territories, Hong Kong (Hong Kong)	2,693	858	100
Aisino-Wincor Retail & Banking Systems (Shanghai) Co.,Ltd, Shanghai (China)	65,538	2,204	43.6
Aisino Wincor Manufacturing (Shanghai) Co., Ltd, Shanghai (China)	34,459	9,180	43.6
Diebold Nixdorf Information Systems (Shanghai) Co., Limited, Pilot Free Trade Zone, Shanghai (China)	3,591	-55	100
Wincor Nixdorf India Private Ltd., Mumbai (India)	3,710	1,048 ¹⁾	100
PT. Wincor Nixdorf Indonesia, Jakarta Selatan (Indonesia)	25,556	1,551	87.12
DIEBOLD NIXDORF SDN. BHD., Kuala Lumpur (Malaysia)	1,541	1,101 ¹⁾	100
WINCOR NIXDORF (PHILIPPINES), INC., Makati City (Philippines)	2,193	439 ³⁾	100
Diebold Singapore Pte. Ltd., Singapore (Singapore)	463	-342 ²⁾	100
AISINO-WINCOR ENGINEERING PTE. LTD., Singapore (Singapore)	333	2 ¹⁾	43.6
DIEBOLD NIXDORF SINGAPORE PTE. LTD., Singapore (Singapore)	28,546	3,727	100
DIEBOLD NIXDORF MANUFACTURING PTE. LTD., Singapore (Singapore)	8,232	687	100
Diebold Nixdorf Taiwan Ltd., Taipei (Taiwan)	2,120	358 ³⁾	100
Wincor Nixdorf (Thailand) Co., Ltd., Bangkok / Sathorn / Thungmahamek (Thailand)	-922	-3,612	100
Africa			
DIEBOLD NIXDORF EURL, Algiers (Algeria)	1,307	-431	100
Diebold Nixdorf S.A., Casablanca (Marocco)	1,149	-284	100
Diebold Nixdorf Limited, Lagos (Nigeria)	36	5 ¹⁾	100
Wincor Nixdorf Retail ME DMCC, Dubai (United Arab Emirates)	445	352 ¹⁾	80

1) Annual financial statements as of September 30, 2016

2) Annual financial statements as of December 31, 2016

3) Annual financial statements as of September 30, 2017

Contingent Liabilities

In the course of the merger with Diebold Nixdorf, Inc., on August 8, 2016, a contract for a revolving credit facility in the amount of €300,000k with Diebold Self-Service Solutions S.A.R.L., maturing August 8, 2021 was signed. As of the balance sheet date, part of the revolving credit facility within Diebold Nixdorf AG was utilized in the amount of €228,618k (previous year: €208,950k).

There are rental and contract-performance guarantees of €475k (previous year: €475k).

The incurred obligations do not have to be recognized as liabilities as the underlying liabilities should be fulfilled by the affiliated companies and thus claims against the Company are unlikely. This risk was estimated on the basis of past experience and on forecasts as to the future development of the Company.

Related party disclosures

Affiliated companies of Diebold Nixdorf AG are listed under Equity interests. The group of affiliated companies also includes Diebold Nixdorf Inc. and its subsidiaries. In addition to the Board of Directors, related parties as defined in Section 285 no. 21 of the HGB include the Supervisory Board, investments and shareholders. Business relations with related parties concern the customary deliveries of goods and services. These goods and services were billed on an arms-length basis. The compensation paid to the Board of Directors and Supervisory Board can be found in the "Information on corporate bodies" section below and in the Compensation report (which forms part of the Management report). Apart from that, there were no major transactions with related parties.

Information on corporate bodies

Members of the Board of Directors of Diebold Nixdorf AG

Dr. Jürgen Wunram	President and CEO
Christopher Chapman	Senior Vice President, CFO
Olaf Heyden	Senior Vice President
Dr. Ulrich Näher	Senior Vice President
Rainer Pfeil	Senior Vice President, Labor Director

As of the reporting date, Olaf Heyden is Chairman of the Supervisory Board of Diebold Nixdorf Portavis GmbH, Hamburg (an affiliated company) and Dr. Jürgen Wunram is Chairman of the Supervisory Board of WINCOR NIXDORF Manufacturing GmbH, Paderborn and Mr. Rainer Pfeil is a member of the Supervisory Board of WINCOR NIXDORF Manufacturing GmbH, Paderborn (an affiliated company). No other member of the Board of Directors holds a seat on the Supervisory Board of another company.

In the year under review, the members of the Board of Directors received a total of €1,334k in compensation (previous year: €6,104k).

In fiscal year from October 1 to December 31, 2017, total compensation paid to former members of the Board of Directors and their surviving dependents came to €32k (previous year: €4,435k). The figure for the previous year includes compensation resulting from the termination of the service contract of Eckard Heidloff, which totaled €4,311k. An amount of €4,062k (previous year: €4,049k) was recognized for pension obligations to former members of the Board of Directors and their surviving dependents.

Please see the Compensation report (which forms part of the Management report) for more detailed disclosure of Board of Directors compensation pursuant to Section 285 sentence 1 no. 9a of the HGB.

Members of the Supervisory Board of Diebold Nixdorf AG

Name	Role	Membership in the Supervisory Board committees of Diebold Nixdorf AG	Membership of other supervisory boards or similar supervisory bodies of commercial enterprises in Germany and other countries
Elin Dera ¹⁾ Initial appointment: January 25, 2016 Term expires: End of the Annual General Meeting for the 2019 fiscal year	Union Secretary at IG Metall, regional directorate for North Rhine-Westphalia	- Audit Committee	- WINCOR NIXDORF International GmbH
Edmund Schäfer ¹⁾ Initial appointment: January 25, 2016 Term expires: End of the Annual General Meeting for the 2019 fiscal year	Head of Banking Segment DACH at WINCOR NIXDORF International GmbH	- Mediation Committee	- WINCOR NIXDORF International GmbH - Wincor Nixdorf Portavis GmbH (Deputy Chairman) - Bankberatung Organisations- und IT-Beratung für Banken AG (Chairman)
Michael Schild ¹⁾ (Deputy Chairman) Appointment: October 23, 2000 Term expires: End of the Annual General Meeting for the 2019 fiscal year	Programmer at WINCOR NIXDORF Manufacturing GmbH	- Audit Committee - Personnel Committee - Mediation Committee	- WINCOR NIXDORF International GmbH (Deputy Chairman) - WINCOR NIXDORF Manufacturing GmbH
Reinhard Steinrücke ¹⁾ Initial appointment: January 25, 2016 Term expires: End of the Annual General Meeting for the 2019 fiscal year	Senior Product Manager at WINCOR NIXDORF International GmbH		- WINCOR NIXDORF International GmbH
Daniela Ueberschär ¹⁾ Initial appointment: January 25, 2016 Term expires: End of the Annual General Meeting for the 2019 fiscal year	Senior Developer at WINCOR NIXDORF International GmbH		- WINCOR NIXDORF International GmbH
Carmelo Zanghi ¹⁾ Initial appointment: January 24, 2011 Term expires: End of the Annual General Meeting for the 2019 fiscal year	1. Authorized Representative IG Metall, Paderborn	- Personnel Committee	- CLAAS KGaA mbH - Benteler Steel/Tube GmbH - BENTELER Business Services GmbH - WINCOR NIXDORF International GmbH

1) Employee representatives

Name	Role	Membership in the Supervisory Board committees of Diebold Nixdorf AG	Membership of other supervisory boards or similar supervisory bodies of commercial enterprises in Germany and other countries
<p>Dr. Alexander Dibelius (Chairman) Appointment: September 1, 2000 Term expires: End of the Annual General Meeting for the 2019 fiscal year</p>	<p>Managing Partner of CVC Capital Partners (Deutschland) GmbH</p>	<p>- Personnel Committee (Chairman) - Mediation Committee (Chairman) - Nomination Committee (Chairman)</p>	<p>- KION Material Handling GmbH (Presiding Committee) - KION Group AG (Presiding Committee) - Douglas GmbH - Diebold Nixdorf, Inc., (Board of Directors) - Kirk Beauty Investments S.A. (Board of Directors) - CVC Capital Partners Luxembourg sarl. (Board of Directors) - Tipico Group Ltd. (Chairman of the Shareholders' Committee) - Breiting S.A. (Board of Directors) - WINCOR NIXDORF International GmbH (Chairman)</p>
<p>Dr. Valerie Barth Appointment: January 25, 2016 Term expires: End of the Annual General Meeting for the 2019 fiscal year</p>	<p>Lawyer</p>		<p>- Orlando Nordics AB (Board of Directors) - WINCOR NIXDORF International GmbH</p>
<p>Dr. Dieter Düseda Initial appointment: January 20, 2014 Term expires: End of the Annual General Meeting for Abbreviated fiscal year 2017</p>	<p>Physicist formerly Director (Senior Partner) McKinsey & Company, Inc.</p>	<p>- Audit Committee (Chairman) - Nomination Committee</p>	<p>- WINCOR NIXDORF International GmbH - Diebold Nixdorf, Inc., (Board of Directors)</p>
<p>Andreas W. Mattes Term: October 1, 2016– 12.02.2018</p>	<p>Former Chief Executive Officer at Diebold Nixdorf, Inc.</p>	<p>- Personnel Committee - Mediation Committee - Nomination Committee</p>	<p>- WINCOR NIXDORF International GmbH - Kony, Inc. (Board of Directors)</p>
<p>Stefan Merz Initial appointment: May 2, 2017 Term expires: End of the Annual General Meeting for Abbreviated fiscal year 2017</p>	<p>Senior Vice President, Corporate Strategy and Development at Diebold Nixdorf, Inc.</p>		<p>- WINCOR NIXDORF International GmbH - Diebold Nixdorf Holding Germany Inc. & Co. KGaA - Inspur Financial Information Technology Co., Ltd., China - Diebold Financial Equipment Co., China</p>
<p>Elizabeth C. Radigan Initial appointment: October 1, 2016 Term expires: End of the Annual General Meeting for the 2020 fiscal year</p>	<p>Chief Ethics & Compliance Officer at Diebold Nixdorf, Inc.</p>		<p>- WINCOR NIXDORF International GmbH</p>

In the year under review, the members of the Supervisory Board received a total of €117k in compensation (previous year: €585k).

Please see the Compensation report (which forms part of the Management report) for further information on the individual Supervisory Board members' compensation pursuant to Section 285 sentence 1 no. 9a of the HGB.

Auditors' fees pursuant to Section 285 of the HGB

During the fiscal year auditors were paid €340k (previous year: €1,496k) for auditing of the financial statements within the meaning of Section 319 (1) sentences 1 and 2 of the HGB, and €103k (previous year: €311k) for tax consultancy. During fiscal 2016/2017, there were also expenses for other services of €50k and for other assurance services of €13k.

KPMG AG's audit services fee primarily relates to auditing Diebold Nixdorf AG's consolidated financial statements and annual financial statements and auditing annual financial statements and consolidated financial statements of various subsidiaries. Furthermore, the reports of Diebold Nixdorf AG and various subsidiaries were reviewed for inclusion in the consolidated financial statements of Diebold Nixdorf Inc., North Canton, Ohio, USA.

The tax advisory services rendered comprise structuring consultancy and support services for creating transfer pricing documentation.

Appropriation of profits

Due to the control and profit and loss transfer agreement concluded with Diebold KGaA in the previous year, Diebold Nixdorf AG may not use its net retained profits, retained profits brought forward nor any other reserves that arose before the control and profit and loss transfer agreement became effective for distribution of a dividend.

The control and profit and loss transfer agreement includes the following compensation obligation, which assures minority shareholders of Diebold Nixdorf AG a recurring cash payment ("compensation payment" or "recurring compensation") for the duration of the agreement as appropriate compensation: For each full fiscal year of Diebold Nixdorf AG, the compensation payment for each no-par value bearer share of Diebold Nixdorf AG with a notional value of €1.00 amounts to €3.13 gross (gross compensation amount), less any amount for corporate income tax and solidarity surcharge at the prevailing rate of these taxes for the relevant fiscal year (net compensation amount). This amount is to be deducted only from the potential portion of the gross compensation amount, which relates to profits subject to German corporate income tax. When rounded to full cents in accordance with commercial rounding practices, this portion amounts to €1.97 per Diebold Nixdorf AG Share. Based on the circumstances at the time of the conclusion of the control and profit and loss transfer agreement, this results in compensation of €2.82 for each Diebold Nixdorf AG share for an entire fiscal year of Diebold Nixdorf AG. For the sake of clarity, it is agreed that any withholding tax (such as capital gains tax plus solidarity surcharge) that may be incurred will be withheld from the net compensation amount to the extent required by law.

The compensation payment is due on the first banking day following the ordinary annual general meeting of Diebold Nixdorf AG for the respective preceding fiscal year but no later than eight months after the end of this fiscal year. The next ordinary annual general meeting of Diebold Nixdorf AG will be held in May 2018.

Diebold Nixdorf AG is obliged to transfer its net income before profit and loss transfer under the HGB for the current fiscal year of €42,741k (previous year: €123,623k) to Diebold Nixdorf KGaA under the terms of the control and profit and loss transfer agreement; this amount had not been transferred to Diebold Nixdorf KGaA as of the balance sheet date, December 31, 2017.

The net retained profits for the abbreviated fiscal year from October 1 to December 31, 2017 of €323,284k (previous year: €323,284k) will be carried forward to new account.

Investments pursuant to Section 21 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act)

Under Section 21 of the WpHG, Diebold Nixdorf AG receives written notification if a third party's shareholdings reaches, exceeds or falls below thresholds of 3, 5, 10, 15, 20, 25, 30, 50 or 75% of the voting rights of the Company. There were no notifications for the fiscal year ending December 31, 2017.

Events After the Reporting Period

Since January 1, 2018, no events of particular significance have become known, which we expect to materially influence the earnings, net assets and financial position of the Diebold Nixdorf AG Group.

Statement of Compliance with the German Code of Corporate Governance

The Board of Directors and Supervisory Board of Diebold Nixdorf AG have issued the statement of compliance with the German Code of Corporate Governance in accordance with Section 161 of the AktG and have made it permanently available to shareholders on the Diebold Nixdorf website.

Information pursuant to Section 15a of the WpHG (Director's Dealings) can be found on the Diebold Nixdorf website (www.dieboldnixdorfag.com).

Paderborn, March 15, 2018

Diebold Nixdorf Aktiengesellschaft

Dr. Jürgen Wunram
President and CEO

Christopher A. Chapman
Senior Vice President, CFO

Olaf Heyden
Senior Vice President

Dr. Ulrich Näher
Senior Vice President

Rainer Pfeil
Senior Vice President

Diebold Nixdorf Aktiengesellschaft, Paderborn

Changes in fixed assets during fiscal year October 1, 2017 to December 31, 2017

	Cost of acquisition or production			Cumulative depreciation		Carrying amounts	
	1.10.2017	Additions	Dec. 31, 2017	Oct. 1, 2017	Dec. 31, 2017	Dec. 31, 2017	Sept. 30, 2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Financial assets							
Shares in affiliated companies	267.299.771,18	0,00	267.299.771,18	0,00	0,00	267.299.771,18	267.299.771,18

DIEBOLD NIXDORF AKTIENGESELLSCHAFT, PADERBORN

MANAGEMENT REPORT FOR THE FISCAL YEAR 2016/2017

Diebold Nixdorf Aktiengesellschaft, Paderborn (hereinafter referred to as “Diebold Nixdorf AG” or also “the Company”) is entered in the Commercial Register of Paderborn Local Court under HRB 6846. The purpose of the Company is to manage its subsidiaries in its capacity as a holding company and to provide them with service functions.

At the Ordinary Annual General Meeting on January 23, 2017 in Paderborn, the shareholders of Diebold Nixdorf Aktiengesellschaft approved all agenda items with clear majority. This included the decision to convert the Company’s fiscal year to the calendar year, which took effect upon registration in the commercial register. The period from October 1, 2017 to December 31, 2017 is thus an abbreviated fiscal year.

On February 14, 2017, the control and profit and loss transfer agreement between the wholly-owned subsidiary of Diebold Nixdorf, Incorporated (hereinafter referred to as “Diebold Nixdorf, Inc.”), Diebold Nixdorf Holding Germany Inc. & Co. KGaA, Paderborn (hereinafter referred to as “Diebold Nixdorf KGaA”) and Diebold Nixdorf AG came into force upon entry in the Commercial Register of Paderborn (Germany) Local Court. Under the agreement, Diebold Nixdorf AG places the governance of the Company in the hands of Diebold Nixdorf KGaA and undertakes to transfer its entire profits to Diebold Nixdorf KGaA. Diebold Nixdorf KGaA undertakes to absorb any net loss incurred by Diebold Nixdorf AG and to pay reasonable compensation and a reasonable settlement to minority shareholders.

Diebold Nixdorf AG is the consolidated tax group parent responsible for all value added tax and income tax matters relating to the companies in Germany included in the fiscal union. The Company is also part of an income and value-added tax group with Diebold Nixdorf KGaA as the consolidated group parent.

The consolidated financial statements of Diebold Nixdorf AG as of December 31, 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the supplementary provisions of German commercial law to be applied in accordance with Section 315a (1) of the Handelsgesetzbuch (HGB – German Commercial Code).

Due to the holding company function of Diebold Nixdorf AG, the explanations contained in this management report mainly relate to the Group.

Income arising from profit and loss transfer agreements is the Company's most relevant performance indicator.

Employees

The Company had 33 employees as of December 31, 2017 (previous year: 32).

Business performance of Diebold Nixdorf Aktiengesellschaft

The profits of €42,741k (previous year: €123,623k) generated in the year under review were transferred to Diebold Nixdorf KGaA under the control and profit and loss transfer agreement. Diebold Nixdorf AG's net retained profits stand at €323,284k as of December 31, 2017. Net retained profits for the fiscal year will be carried forward.

Results of Operations, Assets, and Financial Position

Results of Operations

Diebold Nixdorf AG's income statement as of the end of the year under review shows net income of €0k (previous year: €0k) due to the control and profit and loss transfer agreement with Diebold Nixdorf KGaA. Net income before profit transfer of €42,741k (previous year: €123,623k) largely comprises income of €42,601k (previous year: €133,623k) derived from the profit transfer agreement entered into with WINCOR NIXDORF International GmbH as well as from a non-cash dividend of shares of a subsidiary worth €6,800k transferred from WINCOR NIXDORF International GmbH in the previous year. Reported net sales of €1,733k (previous year: €14,020k) are related to invoices for services rendered to affiliated companies. Cost of sales includes the production costs of goods and services of €1,595k (previous year: €12,783k) incurred to generate sales.

Assets

Total assets stood at €447,971k as of December 31, 2017, which was €1,363k below the figure of €449,334k as of September 30, 2017. The decrease in total assets arising on the assets side of the balance sheet is primarily due to lower other assets of €2,147k. Receivables from affiliated companies increased by €731k.

On the other side of the balance sheet, provisions decreased by €2,569k, while liabilities increased by €1,206k compared with September 30, 2017.

Financial assets account for 59.7% of total assets and primarily comprise the share in WINCOR NIXDORF International GmbH.

Trade payables amounted to €267k (previous year: €430k) and other liabilities to €10,315k (previous year: €8,945k). There are no liabilities to banks.

Financial Position

As of December 31, 2017, Diebold Nixdorf AG had neither bank balances nor liabilities to banks. It is funded solely via WINCOR NIXDORF International GmbH.

In the course of the merger with Diebold Nixdorf, Inc., on August 8, 2016, a contract for a revolving credit facility in the amount of €300,000k with Diebold Self-Service Solutions S.A.R.L., maturing August 8, 2021 was signed. As of the balance sheet date, part of the revolving credit facility within Diebold Nixdorf AG was utilized in the amount of €228,618k (previous year: €208,950k).

Accordingly, Diebold Nixdorf AG has sufficient funds to perform its business activities.

General statement on business performance

At the time this management report was prepared, the following general statement applies to the current economic position of the Group:

Declaration on Corporate Governance pursuant to Section 289f of the HGB

The Declaration on Corporate Governance and the Corporate Governance report is publicly accessible under the Investor Relations section on our website at www.dieboldnixdorfag.com.

Compensation report

Personnel expenses and the changes in provisions recognized for the Stock Option Programs 2013 to 2016 are as follows:

in €

	Aufwand		Rückstellungsbestand	
	01.10.2017 - 31.12.2017	2016/2017	01.10.2017 - 31.12.2017	2016/2017
Dr. Jürgen Wunram	0,00	-231.525,35	0,00	0,00
Olaf Heyden	0,00	-837.632,29	0,00	0,00
Dr. Ulrich Näher	0,00	-526.588,06	0,00	0,00
Summe	0,00	-1.595.745,70	0,00	0,00

Income reported in the annual financial statements as of September 30, 2017 under personnel expenses of €1,596k includes amounts for the reversal of the corresponding provisions of €4,411k. Costs of €2,815k were incurred for servicing the Stock Option Program 2013. For more details on the Stock Option Programs with regard to the range of exercise prices, the respective remaining maturities and average exercise price of the stock options, as well as the conditions for granting and exercising options, please refer to the Notes to the financial statements of Diebold Nixdorf AG.

Compensation of former members of the Board of Directors

In the current fiscal year, total compensation paid to former members of the Board of Directors and their surviving dependents came to €32k (2016/2017: €4,435k). The figure of the previous year includes compensation resulting from the termination of the service contract of Eckard Heidloff, which totaled €4,311k. An amount of €4,062k (2016/2017: €4,049k) was recognized for pension obligations to former members of the Board of Directors and their surviving dependents.

Description of the main features of the risk management system and internal control system relevant for the financial reporting process (Section 289 (5) of the HGB).

A key component of the strategy for mitigating and avoiding risks, in particular in accounting and financial reporting, is the internal control system. The Company's internal control system comprises principles, procedures and measures that are intended to ensure that the financial reporting process is effective, efficient and in compliance with statutory regulations. The Company's accounting and reporting guidelines according to HGB provide a framework for the accounting and valuation principles for the Company. The Group's internal Code of Conduct includes a commitment to integrity and accountability, further ensuring these principles are followed with regard to finances and financial reporting.

New regulations and amendments to existing accounting standards are promptly analyzed for their effects, and if relevant for us, are incorporated in the guidelines for financial reporting processes.

Diebold Nixdorf's financial reporting processes are automated and standardized, ensuring uniform, accurate and timely recording of material business transactions. Mandatory rules are in place for additional manual recording of business transactions. Accounting valuations, such as testing for impairment of goodwill, are carried out by expert staff within the Group; only in specific

cases, such as for the measurement of pension obligations, is this done by external valuation experts.

Process-integrated and process-independent monitoring measures form the cornerstone of the internal monitoring system. Automated IT-based process controls are a key component of the process-integrated measures. Additional control functions, including manual process controls such as the four-eyes principle, have been established through the organizational separation of administrative, executive, billing and authorization functions. The IT systems used for reporting are also protected as far as possible against unauthorized access through a system of access rights and restrictions. However, even the use of appropriate and properly functioning systems cannot provide absolute security.

Other control tasks are carried out by specific Group functions such as the central tax department. Both the Diebold Nixdorf AG Supervisory Board, in particular its Audit Committee, and Internal Audit are integrated into the internal control system through the independent audit activities they undertake.

Report on Expected Developments

The Company's profits are mainly influenced by the performance of the Group as described above and are to be transferred to Diebold Nixdorf KGaA under the control and profit transfer agreement.

The Company's operating profit is mainly attributable to the transfer of profit from WINCOR NIXDORF International. The transfer of profits depends on certain factors which are described in the general statement on business performance. For the current fiscal 2018, we expect to transfer profits approximately on a par with the comparable pro forma period. Due to one-time effects in both fiscal years, comparability is however significantly hindered.