

Equity and Liabilities

		September 30, 2017	September 30, 2016
	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 accumulated profits		323.283.683,03	374.269.403,84
		400.790.087,17	451.775.807,98
B. Accruals	(5)		
1. Accruals for pensions and similar commitments		7.490.511,16	6.486.071,16
2. Tax accruals		22.233.550,06	20.471.000,06
3. Other accruals		9.444.129,36	11.864.468,27
		39.168.190,58	38.821.539,49
C. Liabilities			
1. Trade payables	(6)	429.867,68	27.692.938,90
2. Liabilities to affiliated companies	(7)	242,00	4.823,00
3. Other liabilities	(8)	8.945.199,12	5.348.952,83
– thereof tax liabilities EUR 3,798,660.81 (pr. yr.: EUR 240,269.08) –			
– thereof social security liabilities EUR 10,261.29 (prev. yr. EUR 3,584.04) –			
		9.375.308,80	33.046.714,73
		449.333.586,55	523.644.062,20

Diebold Nixdorf Aktiengesellschaft, Paderborn

Income Statement for the Period from October 1, 2016 to September 30, 2017

		2016/2017	2015/2016
	Note	EUR	EUR
1. Net sales	(9)	14.020.090,05	0,00
2. Cost of sales	(10)	-12.782.870,34	0,00
3. Gross profit		1.237.219,71	0,00
4. General and administrative expenses	(11)	-14.651.683,76	-56.102.275,04
5. Other operating income	(12)	178.597,27	35.482.616,14
6. Income from long-term equity investments – thereof from affiliated companies EUR 6,799,989.56 (prev. yr. EUR 0.00) –	(13)	6.799.989,66	0,00
7. Income from profit and loss transfer agreements – thereof from affiliated companies EUR 133,623,470.54 (prev. yr. EUR 145,636,123.92) –	(14)	133.623.470,54	145.636.123,92
8. Other interest and similar income – thereof from affiliated companies EUR 2,402.85 (prev. yr. EUR 2,409.45) –	(15)	496.014,84	24.459,45
9. Interest and similar expenses – thereof to affiliated companies EUR -23,681.74 (prev. yr. EUR -19,973.60) –	(15)	-297.481,74	-277.756,60
10. Income taxes	(16)	-3.763.252,59	-9.891.076,43
11. Profit after tax		123.622.873,93	114.872.091,44
12. Profit transferred due to a profit and loss transfer agreement	(17)	-123.622.873,93	0,00
13. Net income for the financial year		0,00	114.872.091,44
14. Retained profits brought forward	(18)	323.283.683,03	259.397.312,40
15. Net profit		323.283.683,03	374.269.403,84

Notes to the financial statements for fiscal 2016/2017

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. During the period under review, the Company was renamed from Wincor Nixdorf Aktiengesellschaft to Diebold Nixdorf Aktiengesellschaft, as resolved by the Extraordinary General Meeting on September 26, 2016. This change was entered in the commercial register on November 24, 2017. The object of the Company is to manage its subsidiaries in its capacity as a holding company and to provide them with service functions.

Effective October 1, 2016, two new members were appointed to the Board of Directors: Alan Kerr, responsible for the Software business and Stefan E. Merz, responsible for Corporate Strategy and Development. Since August 2014, Alan Kerr has held the position of Senior Vice President Software at Diebold Nixdorf, Incorporated, North Canton, Ohio (USA) (formerly Diebold, Incorporated). Stefan E. Merz has held the position of Senior Vice President Strategic Projects at Diebold Nixdorf, Incorporated since August 2013.

At the Ordinary Annual General Meeting on January 23, 2017 in Paderborn, the shareholders of Diebold Nixdorf AG approved all agenda items with clear majority. Shareholders received a dividend distribution of €1.71 per share for fiscal 2015/2016. The total dividend distribution amounted to approximately €51 million. Additionally, the shareholders resolved 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 will be 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, formerly Diebold Holding Germany Inc. & Co. KGaA, Eschborn (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. By concluding the control and profit and loss transfer agreement, Diebold Nixdorf, Inc. is able to further integrate Diebold Nixdorf AG into its business in accordance with the statutory provisions of German law. 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.

As the parent company, Diebold Nixdorf AG is responsible for all value added tax and income tax matters relating to the companies in Germany included in the fiscal union. In addition, upon registration in the commercial register, the Company has become part of an income and value-added tax group with Diebold Nixdorf KGaA as the group parent. The trade tax and corporate income tax group with Diebold Nixdorf KGaA became effective retroactively as of October 1, 2016.

After the legal requirements for registering the control and profit and loss transfer agreement had been fulfilled and the agreement registered on February 14, 2017, President and CEO of Diebold Nixdorf AG, Eckard Heidloff, agreed with the Company's Supervisory Board on February 16, 2017 to step down from his position at March 31, 2017. Six months after the merger with the US corporation Diebold, Mr. Heidloff thus also resigned from his position as President of the new company Diebold Nixdorf, Inc.

Effective April 1, 2017, the Supervisory Board of Diebold Nixdorf AG appointed Dr. Jürgen Wunram, former Deputy Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as Mr. Heidloff's successor. In the combined entity Diebold Nixdorf, Dr. Jürgen Wunram has joined CEO, Andy Mattes on the Board of Directors of Diebold Nixdorf, Inc. as the second executive responsible for operations. As Dr. Jürgen Wunram's successor, Christopher A. Chapman took on the role of CFO of Diebold Nixdorf AG in addition to his role as CFO of Diebold Nixdorf Inc. effective April 1, 2017. For this reason, he resigned as member of the Supervisory Board of Diebold Nixdorf AG.

Rainer Pfeil, former Senior Vice President Human Resources of Diebold Nixdorf AG, was appointed Mr. Heidloff's successor in the position of Labor Director, effective April 1, 2017. Alan Kerr and Stefan Merz were also appointed to the Board of Directors effective October 1, 2016 and resigned from their respective positions effective March 31, 2017. Including Olaf Heyden and Dr. Ulrich Näher, the Board of Directors now consists of five members.

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).

These financial statements have been prepared for the first time in accordance with the provisions of the Bilanzrichtlinie-Umsetzungsgesetz (BilRUG – German Accounting Directive Implementation Act). Where the comparable previous year's figures are not provided, reference is made to them in the explanatory notes to the individual items of the income statement.

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 3.78%, 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. In accordance with 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 €486k as of September 30, 2017 and, in accordance with 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 (€0.32k, 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 €176,604k (previous year: €251,677k) for receivables from WINCOR NIXDORF International GmbH. The differences compared to the previous year were attributable in particular to the payment of the dividend for fiscal 2015/16 by WINCOR NIXDORF International GmbH (€50,986k), €133,623k credited for the accounting profit of WINCOR NIXDORF International GmbH and the transfer of the Company's accounting profit of €123,623k to Diebold Nixdorf KGaA. Receivables from shareholder Diebold Nixdorf KGaA consist of €31k.

Other assets mainly include claims for tax refunds with respect to capital gains tax of €534k (previous year: €534k), withholding tax of €669k (previous year: €1,051k) and income taxes including interest of €2,322k (previous year: €102k). In the previous year, claims for tax refunds from value added tax were €12,563k.

Receivables and other assets fall due within one year.

3. Prepaid expenses

This item relates to payments for miscellaneous services of €25k (previous year: €39k).

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

4. Equity

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

€ thousands

	Subscribed capital	Capital reserves		Distributable profits	Equity
		Section 272 (2) no.1	Section 272 (2) no.4		
October 1, 2016	33,085	3,308	41,113	374,270	451,776
Distributions				-50,986	-50,986
Net income for the year				0	0
September 30, 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 September 30, 2017, Diebold Nixdorf KGaA held a total of 22,921,935 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 below:

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 associated 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.

On March 22, 2017, the vesting period for the 2013 share option program came to an end. 643,076 of the 774,806 options issued have been exercised. The exercise price taking into account dividends was €38.26. At the time of exercise, the average share price was €69.20 (unweighted average closing price of the 30 trading days prior to the exercise date on March 22, 2017). This resulted in a gain per option of €30.94. The options were settled on a cash basis.

The Company launched three further stock option programs for managers (Stock Option Program 2014, Stock Option Program 2015 and Stock Option Program 2016) on March 26, 2014, March 25, 2015 and April 12, 2016 issuing 678,361, 717,048 and 714,470 options respectively for a respective exercise price 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; The Stock Option Program 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 current 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 development 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 Diebold Nixdorf, Inc. share price 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 September 30, 2017.

In accordance with 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 €486k as of September 30, 2017 (previous year: €350k) and, in accordance with 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

	€ thousands	
	September 30, 2017	September 30, 2016
Provisions for pensions and similar obligations	7,490	6,486
Tax provisions	22,234	20,471
Other provisions	9,444	11,865
	39,168	38,822

Provisions for pensions and similar obligations are recognized using actuarial calculations in accordance with the Projected-Unit-Credit method (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 €371k (previous year: €327k) are also recognized under provisions for pensions and similar obligations.

The tax provisions comprise €3,043k (previous year: €2,891k) for trade tax and €19,191k (previous year: €17,580k) for corporation tax. The provisions recognized in fiscal 2016/2017 relate in full to previous years.

Other provisions comprise €7,570k (previous year: €0k) in provisions for the Cash Conversion Program and €651k (previous year: €10,931k) in provisions mainly for the Stock Option Program. They also include €675k (previous year: €334k) in provisions for preparation of the annual financial statements, €124k (previous year: €251k) for the annual report and €262k (previous year: €203k) for auditing costs as well as €162k (previous year: €146k) 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 options pricing model.

On April 25, 2017, in order to align incentive compensation, the Compensation Committee of the Board of Directors of Diebold Nixdorf approved a one-time offer to certain employees to replace employees' outstanding Diebold Nixdorf AG stock options with performance-based cash incentive awards (DN Performance Awards). The grant of the DN Performance Awards was contingent on the employee's agreement to cancel their existing outstanding options. The Diebold Nixdorf AG options subject to the above offer were those vesting in March of 2018, 2019 and 2020 respectively. Each tranche of stock options had a different vest date and a different "in the money" value, and so each tranche was replaced with a DN Performance Award that had the same measurement date (of 2018, 2019 or 2020, for example). In addition, each award is structured to approximate the original "in-the money" value of the canceled options at target, the option "under water" line at threshold, and a maximum at approximately 155% of the Diebold Nixdorf Inc. stock price. The DN Performance Awards were based on a Diebold Nixdorf Inc. stock price of \$26.18. This results in the need to recognize provisions of €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 €4,934k (previous year: €4,744k) for payroll liabilities. Other key components include €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, €360k (previous year: €479k) in liabilities to members of the Supervisory Board and €31k (previous year: €0k) in liabilities from sales taxes.

Payroll liabilities of €3,209k are due for settlement within one to five years. Other liabilities of €5,736k are due for settlement 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 €14,020k relate to amounts invoiced to affiliated companies, which are to be reported as sales due to the revised version of Section 277 (1) of the HGB as amended by the BilRUG and are therefore not comparable with the previous year's figures. Applying Section 277 (1) of the HGB as amended by the BilRUG would have resulted in sales of €11,567k for the previous year.

10. Production costs of goods and services required for generating sales

The production costs of goods and services of €12,783k required for generating sales relate to the purchase costs for invoicing affiliated companies, which are reported as sales due to the revised version of Section 277 (1) of the HGB as amended by the BilRUG. For the previous year, cost of sales of €10,578k would have been required to be reported, which are included in general administrative expenses.

11. General administrative expenses

General administrative expenses mainly comprise personnel expenses, advisory costs and expenses for the Supervisory Board, the annual report and the AGMs. The previous year's figure included advisory costs of €32,270k arising in the course of the public tender offer process. If the BilRUG had been applied in the previous year, €10,578k in administrative expenses would have been reported as cost of sales.

12. Other operating income

Other operating income in the current fiscal year amounts to €179k and relates to the reversal of provisions (previous year: €38k).

Other operating income in the previous year primarily comprised of €34,535k in amounts invoiced to affiliated companies. These amounts include €11,078k invoiced to WINCOR NIXDORF International GmbH in connection with a service contract and €22,733k invoiced for advisory costs in connection with the execution of Diebold Inc.'s public tender offer. The previous year's figures for other operating income are not directly comparable due to the first-time application of the BilRUG. Under the BilRUG, amounts invoiced to affiliated companies of €11,567k would have been reported as revenue in the previous year.

13. Income from investments

Investment income of €6,800k 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 September 30, 2017, WINCOR NIXDORF International GmbH's accounting profit of €133,623k (previous year: €145,636k) was transferred to Diebold Nixdorf AG.

15. Net interest result

	€ thousands	
	2016/2017	2015/2016
Other interest and similar income	496	24
<i>Thereof from affiliated companies</i>	2	2
Interest and similar expenses	-297	-278
<i>Thereof to affiliated companies</i>	-24	-20
	199	-254

Interest and similar expenses include the interest component of additions to provisions for pensions and similar obligations, provisions for pre-retirement part-time working arrangements and provisions for service anniversary awards in the amount of €265k (previous year: €249k).

16. Taxes on income and profit

	€ thousands	
	2016/2017	2015/2016
Trade tax	-617	-5,116
Corporation tax	4,380	15,007
	3,763	9,891

The tax expense for the period includes corporation tax expenses of €760k from other accounting periods and trade tax income of €617k from other accounting periods. In the previous year, corporation tax expenses of €7,465k from other accounting periods and trade tax income of €5,116k 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 €123,623k was transferred.

18. Profit carried forward

At the AGM of Diebold Nixdorf AG on January 23, 2017, it was resolved to approve the proposal put forward by the Board of Directors and Supervisory Board to pay shareholders a dividend of €1.71 per share from distributable profits for fiscal 2015/2016. This was equivalent to €50,986k. The remaining net retained profits of €323,284k were carried forward. At the time of the distribution, an affiliated company of Diebold Nixdorf AG held 3,268,777 treasury shares, which are not entitled to dividends.

General Information

Cost of materials

	€ thousands	
	2016/2017	2015/2016
Cost of bought-in services	548	704

Personnel expenses

	€ thousands	
	2016/2017	2015/2016
a) Payroll expense	19,662	19,231
b) Social security charges and expenditure on retirement pensions and support	906	561
<i>Thereof expenditure on retirement pensions</i>	(505)	(190)
	20,568	19,792

The Company had an average of 32 employees during the fiscal year (previous year: 31).

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 (IFRS) of the International Accounting Standards Board (IASB), London, as adopted by the European Union (EU) and the supplementary provisions of German commercial law to be applied in accordance with Section 315a (1) of the previous version 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 AG. 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)	184,792	0 ^{1) 2)}	100
PT. Wincor Nixdorf Indonesia, Jakarta Selatan (Indonesia)	13,965	6,179	0.25 ³⁾
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/ São Paulo (Brazil)	-6,252	-1,716	0.001 ⁴⁾
LLC WINCOR NIXDORF, Moscow (Russia)	6,671	940 ⁷⁾	100
Diebold Self-Service Ltd. Liability, Moscow (Russia)	3	-2 ⁷⁾	100
II. Indirect equity interests			
Germany			
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 Visio GmbH, Paderborn	25	0 ^{1) 2)}	100
WINCOR NIXDORF Facility GmbH, Paderborn	197,000	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 Grundstuecksverwaltung Ilmenau GmbH & Co. KG, Paderborn	3,950	0 ^{5) 6)}	100
WINCOR NIXDORF Immobilien GmbH & Co. KG, Paderborn	16,364	2,329	100 ⁸⁾
WINCOR NIXDORF Immobilien Geschäftsführungs GmbH, Paderborn	30	0	100 ⁹⁾
Diebold Nixdorf Logistics GmbH, Paderborn	25	0 ^{1) 2)}	100
Diebold Nixdorf Lottery Solutions GmbH, Paderborn	1,446	24	100
WINCOR NIXDORF Manufacturing GmbH, Paderborn	57,370	0 ^{1) 2)}	100
Diebold Nixdorf Portavis GmbH, Hamburg	18,698	2,532	68
Diebold Nixdorf Real Estate GmbH & Co. KG, Paderborn	27,652	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
AEVI International GmbH, Paderborn	28,039	-5,756	86.64
Bankberatung Organisations- und IT-Beratung für Banken AG, Hannover	3,006	876	92.54
BC & S GmbH Bank Consulting & Solutions, Würselen	242	73 ⁷⁾	26.5
IP Management GmbH, Paderborn	1,225	0 ^{1) 2)}	100
Prosystems IT GmbH, Bonn	3,000	0 ^{1) 2)}	100
TSG Tankstellen-Support GmbH, Cologne	1,096	1,070 ⁷⁾	100
Projective BC Germany GmbH, Frankfurt am Main	0	0 ¹⁰⁾	53.07

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 99.750% 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

€ thousands

	Equity	Profit/loss after tax	Capital share (in %)
Europe			
Projective NV , Diegem (Belgium)	3,506	699 ²⁾	53.07
WIK Consulting BVBA , Diegem (Belgium)	561	-52 ²⁾	53.07
Diebold Nixdorf A/S, Ballerup (Danmark)	877	281 ⁴⁾	100
Diebold Nixdorf Oy, Espoo (Finland)	2,013	312 ⁴⁾	100
Diebold Nixdorf SAS, Vélizy- Villacoublay (France)	52,976	4,005	100
Projective BC France, Paris (France)	0	0 ³⁾	53.07
Diebold Nixdorf Information Systems S.A., Kifisia/ Athens (Greece)	776	-270	100
Aevi UK Limited, Bracknell / Berkshire (United Kingdom)	-92	-556 ⁴⁾	86.64
Projective London Ltd., London (United Kingdom)	361	118 ²⁾	53.07
Wincor Nixdorf Ltd., Bracknell/Berkshire (United Kingdom)	39	39 ⁴⁾	100
DIEBOLD NIXDORF (UK) LIMITED, Bracknell, Berkshire (United Kingdom)	12,034	6,351 ⁴⁾	100
Diebold Nixdorf (Ireland) Limited, Dublin (Ireland)	1,287	987 ⁴⁾	100
Diebold Nixdorf S.r.l. , Basiglio / Milan (Italy)	5,279	687	100
Wincor Nixdorf Finance Malta Holding Limited , St. Julian's (Malta)	104,616	4,106 ⁴⁾	100
Wincor Nixdorf Finance Malta Limited, St. Julian's (Malta)	100,521	1,399 ⁴⁾	100
Wincor Nixdorf Pension Malta Asset Management Civil Partnership , St. Julian's (Malta)	81,501	-154	100 ¹⁾
Wincor Nixdorf Pension Malta Holding Ltd., St. Julian's (Malta)	102,182	-22	100 ¹⁾
Wincor Nixdorf Pension Malta Ltd., St. Julian's (Malta)	99,323	14	100 ¹⁾
CROWN B.V., Delft (Netherlands)	-81	-681 ⁴⁾	50
Projective Biz B.V., WP's Gravenhage (Netherlands)	926	105 ²⁾	53.07
SecurCash B.V., Rotterdam (Netherlands)	7,786	583 ⁴⁾	100
SecurCash Geldverwerking B.V., Houten (Netherlands)	42,244	-98 ⁴⁾	100
SecurCash Nederland B.V., Houten (Netherlands)	8,444	-8,469 ⁴⁾	100
Diebold Nixdorf B.V., Delft (Netherlands)	7,430	2,773 ⁴⁾	100
Diebold Nixdorf Global Solutions B.V., Utrecht (Netherlands)	861	361 ⁴⁾	100
Diebold Nixdorf Software Partner B.V., Utrecht (Netherlands)	29	0 ⁴⁾	100
Diebold Nixdorf Software CV, Utrecht (Netherlands)	2,424	1,394 ⁴⁾	100
DIEBOLD NIXDORF AS, Oslo (Norway)	1,401	1,476 ⁴⁾	100
Diebold Nixdorf BPO Sp.z.o.o. , Warsaw (Poland)	53	-47 ²⁾	100
Diebold Nixdorf Sp. z o.o. , Warsaw (Poland)	9,138	2,473 ⁴⁾	100
Diebold Nixdorf Portugal, Unipessoal, Lda., Camaxide (Portugal)	2,211	743	100
LLC MCES , Moscow (Russia)	0	-6 ²⁾	49.9
Wincor Nixdorf Oil & Gas IT LLC, Moscow (Russia)	932	724 ²⁾	49.9
Diebold Nixdorf AB, Solna (Sweden)	3,622	844 ⁴⁾	100

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

2) Annual financial statements as of December 31, 2016

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

4) Annual financial statements as of September 30, 2016

€ thousands

	Equity	Profit/loss after tax	Capital share (in %)
Europe			
BEB Industrie- Elektronik AG, Burgdorf (Switzerland)	4,266	2,458 ³⁾	100
CI Tech Components AG, Burgdorf (Switzerland)	6,716	-3,196 ¹⁾	25
CI TECH Sensors AG, Burgdorf (Switzerland)	11,597	1,828 ¹⁾	75
Diebold Nixdorf Finance AG, Baar (Switzerland)	1,351	-3 ³⁾	100
DIEBOLD NIXDORF s.r.o., Bratislava (Slovakia)	2,080	1,133	100
Dynasty Technology Group, S.A.U., Madrid (Spain)	1,943	1,684	100
DIEBOLD NIXDORF SL, Madrid (Spain)	6,716	2,990	100
Aevi CZ s.r.o., Prague (Czech Republic)	2,001	-1,458 ³⁾	86.64
Diebold Nixdorf s.r.o., Prague (Czech Republic)	7,054	3,776 ³⁾	100
Diebold Nixdorf Retail Solutions s.r.o., Prague (Czech Republic)	-686	-1,931	100
Diebold Nixdorf Teknoloji AS, Kadikoy / Istanbul (Turkey)	11,802	8,268	100
Altus Bilisim Hizmetleri Anonim Sirketi (Turkey)	1,185	-119 ¹⁾	100
LLC DIEBOLD NIXDORF, Kiev (Ukraine)	-2,923	-2,541 ¹⁾	100
Diebold Nixdorf Kft., Budapest (Hungary)	5,602	2,801	100
Americas			
Dynasty Technology Brasil Software Ltda., São Paulo (Brazil)	1,284	33 ¹⁾	100
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/ São Paulo (Brazil)	-6,252	-1,716	100
Wincor Nixdorf Canada Inc., Mississauga/ Ontario (Canada)	3,528	-118	100
Wincor Nixdorf IT Support S.A. de C.V., Mexico City (Mexico)	4,723	584 ¹⁾	99.998
Wincor Nixdorf S.A. de C.V., Mexico City (Mexico)	94,069	6,361 ¹⁾	100
Wincor Nixdorf Inc., Austin (U.S.)	6,619	-5,930	100
IT SOLUCIONES INTEGRALES, C.A., Barquisimeto (Venezuela)	15	0	100
Wincor Nixdorf C.A., Caracas (Venezuela)	9,270	534	100
Asia/Pacific			
WINCOR NIXDORF AUSTRALIA PTY LTD, Frenchs Forest/ Sydney (Australia)	1,520	-102 ³⁾	100
Diebold Nixdorf (Hong Kong) Limited , New Territories, Hong Kong (Hong Kong)	1,850	1,427	100
Aisino-Wincor Retail & Banking Systems (Shanghai) Co.,Ltd, Shanghai (China)	62,642	1,043 ¹⁾	43.6
Aisino Wincor Manufacturing (Shanghai) Co., Ltd, Shanghai (China)	25,142	5,300 ¹⁾	43.6
Diebold Nixdorf Information Systems (Shanghai) Co., Limited, Pilot Free Trade Zone, Shanghai (China)	0	0 ²⁾	100
Wincor Nixdorf India Private Ltd., Mumbai (India)	3,710	1,048 ³⁾	100
PT. Wincor Nixdorf Indonesia, Jakarta Selatan (Indonesia)	13,965	6,179	99.75
Wincor Nixdorf (M) Sdn. Bhd., Kuala Lumpur (Malaysia)	1,541	1,101 ³⁾	100
WINCOR NIXDORF (PHILIPPINES), INC., Makati City (Philippines)	2,193	439	100
Diebold Singapore Pte. Ltd., Singapore (Singapore)	463	-342 ¹⁾	100
AISINO-WINCOR ENGINEERING PTE. LTD., Singapore (Singapore)	333	2 ³⁾	43.6
WINCOR NIXDORF PTE. LTD., Singapore (Singapore)	25,212	7,844	100
WINCOR NIXDORF MANUFACTURING PTE. LTD, Singapore (Singapore)	7,664	3,118	100
Wincor Nixdorf Taiwan Ltd., Taipei (Taiwan)	2,152	345	100
Wincor Nixdorf (Thailand) Co., Ltd., Bangkok / Sathorn / Thungmahamek (Thailand)	-828	-3,504	100

1) Annual financial statements as of December 31, 2016

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

3) Annual financial statements as of September 30, 2016

	€ thousands		
	Equity	Profit/loss after tax	Capital share (in %)
Africa			
DIEBOLD NIXDORF EURL, Algiers (Algeria)	1,452	781 ¹⁾	100
Wincor Nixdorf S.A., Casablanca (Marocco)	1,445	-1,058	100
Wincor Nixdorf Limited, Lagos (Nigeria)	36	5 ²⁾	100
WINCOR NIXDORF (PTY) LTD, Hurlingham- Sandton (South Africa)	330	74	100
Wincor Nixdorf Retail ME DMCC, Dubai (United Arab Emirates)	445	352 ²⁾	80

1) Annual financial statements as of December 31, 2016

2) Annual financial statements as of September 30, 2016

Contingent Liabilities

As of September 30, 2017, the Company had a revolving credit facility for €300,000k with Diebold Self-Service Solutions S.A.R.L., maturing August 8, 2021. Diebold Nixdorf AG and WINCOR NIXDORF International GmbH are joint borrowers under this facility. As of September 30, 2017, WINCOR NIXDORF International GmbH had utilized €79,030k (previous year: €40,319k) of the revolving credit facility. The loan from the European Investment Bank of €65,000k as of September 30, 2016 held by WINCOR NIXDORF International GmbH was repaid in full in March 2017. As a result, Diebold Nixdorf AG's is released from the liability to the European Investment Bank for repayment.

Rental and contract-performance guarantees of €475k (previous year: €475k) exist.

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 (since April 1, 2017)
Christopher Chapman (since April 1, 2017)	Senior Vice President, CFO
Eckard Heidloff (until March 31, 2017)	President and CEO, Labor Director
Olaf Heyden	Senior Vice President
Dr. Ulrich Näher	Senior Vice President
Rainer Pfeil (since April 1, 2017)	Senior Vice President, Labor Director
Alan Kerr (from October 1, 2016 to March 31, 2017)	Senior Vice President
Stefan Merz (from October 1, 2016 to March 31, 2017)	Senior Vice President

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 €6,104k in compensation (previous year: €8,053k). The total compensation of the previous year included 271,986 stock options granted under the Stock Option Program 2016, valued at €8.84 per option at the date of granting.

In fiscal 2016/2017, total compensation paid to former members of the Board of Directors and their surviving dependents came to €4,435k (previous year: €123k). The figure in the year under review includes compensation resulting from the termination of the service contract of Eckard Heidloff, which totaled €4,311k. An amount of €4,049k (previous year: €2,479k) 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 in accordance with 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.
<p>Elin Dera¹⁾ Appointment: January 25, 2016 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>Union Secretary at IG Metall, regional directorate for</p>	<p>- Audit Committee</p>	<p>- WINCOR NIXDORF International GmbH</p>
<p>Edmund Schäfer¹⁾ Appointment: January 25, 2016 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>Head of Banking Segment at WINCOR NIXDORF International GmbH</p>	<p>- Mediation Committee</p>	<p>- WINCOR NIXDORF International GmbH - Wincor Nixdorf Portavis GmbH (Deputy Chairman) - Bankberatung Organisations- und IT-Beratung für Banken AG (Chairman)</p>
<p>Michael Schild¹⁾ (Deputy Chairman) Appointment: October 23, 2000 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>Programmer at WINCOR NIXDORF Manufacturing GmbH</p>	<p>- Audit Committee - Personnel Committee - Mediation Committee</p>	<p>- WINCOR NIXDORF International GmbH (Deputy Chairman) - WINCOR NIXDORF Manufacturing GmbH</p>
<p>Reinhard Steinrücke¹⁾ Appointment: January 25, 2016 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>Senior Product Manager at WINCOR NIXDORF International GmbH</p>		<p>- WINCOR NIXDORF International GmbH</p>
<p>Daniela Ueberschär¹⁾ Appointment: January 25, 2016 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>Senior Developer at WINCOR NIXDORF International GmbH</p>		<p>- WINCOR NIXDORF International GmbH</p>
<p>Carmelo Zanghi¹⁾ Appointment: January 24, 2011 Term expires: End of the Annual General Meeting the 2019 financial year</p>	<p>1. Authorized IG Metall, Paderborn</p>	<p>- Personnel Committee</p>	<p>- CLAAS KGaA mbH - Benteler Steel/Tube GmbH - BENTELER Business Services GmbH (Since September 2017) - WINCOR NIXDORF International GmbH</p>

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.
Dr. Alexander Dibelius (Chairman) Appointment: September 1, 2000 Term expires: End of the Annual General Meeting the 2019 financial year	Managing Partner of CVC Capital Partners (Deutschland) GmbH	- Personnel Committee (Chairman) - Mediation Committee (Chairman) - Nomination Committee (Chairman)	- 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) - Breitting S.A. (Board of Directors Since July 1, 2017) - WINCOR NIXDORF International GmbH (Chairman)
Dr. Valerie Barth Appointment: January 25, 2016 Term expires: End of the Annual General Meeting the 2019 financial year	Lawyer		- Innight Express Germany GmbH - Orlando Nordics AB (Board of Directors since October 12, 2016) - WINCOR NIXDORF International GmbH
Christopher A. Chapman ¹⁾ Term: October 1, 2016– March 31, 2017	Chief Financial Officer At Diebold Nixdorf, Inc.	- Audit Committee (October 1, 2016–March 31,	- WINCOR NIXDORF International GmbH (October 1, 2016–March 31, - Diebold Financial Equipment Company, China (Board of Directors) - Diebold Systems Private Limited, India (Board of Directors)
Dr. Dieter Düsedau Appointment: January 20, 2014 Term expires: End of the Annual General Meeting the 2017 financial year	Physicist formerly Director (Senior Partner) McKinsey & Company, Inc.	- Audit Committee (Chairman Since October 1, 2016) - Nomination Committee	- Kontron AG (until August 17, 2017) - Audit Committee (Chairman) - WINCOR NIXDORF International GmbH - Diebold Nixdorf, Inc., (Board of Directors)
Andreas W. Mattes Initial appointment: October 1, 2016 Term expires: End of the Annual General Meeting the 2020 financial year	Chief Executive Officer At Diebold Nixdorf, Inc.	- Personnel Committee (Since October 1, 2016) - Mediation Committee (Since October 1, 2016) - Nomination Committee (Since October 1, 2016)	- WINCOR NIXDORF International GmbH (since October 1, 2016) - Kony, Inc. (Board of Directors since May 17, 2017)
Stefan Merz Appointment: May 2, 2017 Term expires: End of the Annual General Meeting the 2017 financial year	Senior Vice President Corporate Strategy and Development bei Diebold Nixdorf, Inc.		- WINCOR NIXDORF International GmbH (since May 2, 2017) - Diebold Nixdorf Holding Germany Inc. & Co. KGaA (since December 9,
Elizabeth C. Radigan Appointment: October 1, 2016 Term expires: End of the Annual General Meeting the 2020 financial year	Chief Ethics & Compliance Officer At Diebold Nixdorf, Inc.		- WINCOR NIXDORF International GmbH (since 10/1/2016)

1) Unless otherwise indicated, the information is applicable as of September 30, 2016

The members of the Supervisory Board received total compensation in the fiscal year of €585k (previous year: €851k).

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

Auditors' fees as per Section 285 of the HGB

In the fiscal year, auditors as defined in Section 319 (1) sentence 1, 2 of the HGB were paid €1,496k (previous year: €1,058) for auditing of the financial statements, €311k (previous year: €587k) for tax consultancy and €50k (previous year: €54k) for other services.

KPMG AG WPG's audit-services fee primarily relates to auditing Diebold Nixdorf AG's consolidated financial statements and annual financial statements and auditing and reviewing interim financial statements of Diebold Nixdorf AG and various subsidiaries for inclusion in the consolidated financial statements of Diebold Nixdorf Inc., North Canton, Ohio, USA. In addition, the auditor audited the annual financial statements and consolidated financial statements of various subsidiaries.

Other audit services refer to contractually agreed audit services. Audit services were rendered to a subsidiary in order to assess the GoBD conformity of the company's IT systems.

Tax advisory services comprise support for the creation of transfer pricing documentation, tax declarations and sales tax summary reports, and, tax advisory services in connection with restructuring measures. General consulting services, not including payroll tax advisory services, were rendered to a subsidiary regarding cross-border deployment and assignment of staff.

Other services refer to general consulting services for the application or initial introduction of accounting principles.

Appropriation of profits

In contrast to previous years, no dividend will be distributed for the year under review. Due to the control and profit and loss transfer agreement concluded with Diebold Nixdorf KGaA, which became effective in the year under review, Diebold Nixdorf AG may not use its net retained profits, profit carried 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 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 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.

€50,986k was distributed in fiscal 2016/2017 to Diebold Nixdorf AG shareholders. In addition, Diebold Nixdorf AG is obliged to transfer its net income before profit and loss transfer under the HGB for fiscal 2016/2017 of €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, September 30, 2017.

The net retained profits for fiscal 2016/2017 of €323,284k will be carried forward.

Investments in accordance with 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 September 30, 2017.

Events After the Reporting Period

Since October 1, 2017, 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, December 20, 2017

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 In the 2016/2017 financial year

	Cost of acquisition or production			Cumulative depreciation		Carrying amounts	
	October 1, 2016	Additions	September 30, 2017	October 1, 2016	September 30, 2017	September 30, 2017	September 30, 2016
	EUR		EUR	EUR	EUR	EUR	EUR
Investments							
Shares in affiliated companies	257.170.818,05	10.128.953,13	267.299.771,18	0,00	0,00	267.299.771,18	257.170.818,05

DIEBOLD NIXDORF AKTIENGESELLSCHAFT, PADERBORN

MANAGEMENT REPORT FOR THE FISCAL YEAR 2016/2017.

During the fiscal year, Wincor Nixdorf Aktiengesellschaft was renamed Diebold Nixdorf Aktiengesellschaft, Paderborn (hereinafter referred to as “the Company” or “Diebold Nixdorf AG”) The purpose of the Company is to function as a managing holding company (management, service and holding function).

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 financial year to the calendar year, which took effect upon registration in the commercial register. The period from October 1, 2017 to December 31, 2017 will be 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, formerly Diebold Holding Germany Inc. & Co. KGaA, Eschborn (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. By concluding the control and profit and loss transfer agreement, Diebold Nixdorf, Inc. is able to further integrate Diebold Nixdorf AG into its business in accordance with the statutory provisions of German law. 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.

As the parent company, Diebold Nixdorf AG is responsible for all value added tax and income tax matters relating to the companies in Germany included in the fiscal union. In addition, upon registration of the control and profit and loss transfer agreement in the commercial register, the Company has become a part of an income and value-added tax group with Diebold Nixdorf KGaA as the group parent. The trade tax and corporate income tax group with Diebold Nixdorf KGaA became effective retroactively as of October 1, 2016.

The Group financial statements of Diebold Nixdorf AG as of September 30, 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.

Business performance of Diebold Nixdorf Aktiengesellschaft

At the Annual General Meeting on January 23, 2017, it was resolved to approve the proposal put forward by the Board of Directors and Supervisory Board to pay shareholders a dividend of €1.71 per share from distributable profits for fiscal 2015/2016. This is equivalent to €50,986k. The remaining net retained profits of €323,284k were carried forward. At the time of the distribution, a subsidiary of Diebold Nixdorf AG held 3,308,498 treasury shares, which are not entitled to dividends.

The profits of €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 September 30, 2017. The net retained profits for the fiscal year will be carried forward.

Results of Operation, Assets, and Financial Position

Results of Operation

Diebold Nixdorf AG's income statement as of the end of the year under review shows net income of €0k (previous year: €114,872 k) due to the control and profit and loss transfer agreement with Diebold Nixdorf KGaA. The net income before profit transfer of €123,623k largely comprises income of €133,623k (previous year: €145,636k) 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 by WINCOR NIXDORF International GmbH. Net sales of €14,020k recognized due to changes stemming from the Bilanzrichtlinie-Umsetzungsgesetz (BilRUG – German Accounting Directive Implementation Act) are attributable to invoices for services to affiliated companies; the comparable figure from the previous year of €11,567k was included in other operating income. The production costs of goods and services of €12,783k required for generating sales relate to the purchase costs of sales; the comparable figure from the previous year of €10,578k can be found under general and administrative expenses.

Assets

Total assets stood at €449,334k as of September 30, 2017, which was €74,310k below the previous year's figure of €523,644k. On the assets side of the balance sheet, this decrease is primarily due to lower receivables from affiliated companies of €73,706k and lower other assets of €10,720k. Shares in affiliated companies increased by €10,129k.

On the other side of the balance sheet, equity decreased by €50,986k and liabilities by €23,671k over the previous year, while total provisions increased by €347k.

Financial assets account for 59.5% of total assets and primarily comprise the share in WINCOR NIXDORF International GmbH.

Equity decreased by €50,986k to €400,790k as of September 30, 2017 (previous year: €451,776k).

Trade payables amounted to €430k (previous year: €27,693k) and other liabilities €8,945k (previous year: €5,349k). There are no liabilities to banks.

Financial Position

As of September 30, 2017, Diebold Nixdorf AG did not have any bank balances or any liabilities to banks. It is funded solely via WINCOR NIXDORF International GmbH.

As of the reporting date, there was a revolving credit facility of €300,000k with Diebold Self-Service Solutions S.A.R.L. Diebold Nixdorf AG and WINCOR NIXDORF International GmbH are the joint borrowers. As of September 30, 2017, WINCOR NIXDORF International GmbH had utilized €79,030k of the revolving credit facility.

The loan from the European Investment Bank of €65,000k as of September 30, 2017 held by WINCOR NIXDORF International GmbH was repaid in full in March 2017.

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