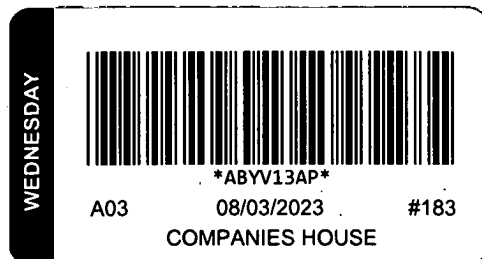


Registered number: 03841833

**DIEBOLD NIXDORF (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**DIEBOLD NIXDORF (UK) LIMITED**

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**DIEBOLD NIXDORF (UK) LIMITED**

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**COMPANY INFORMATION**

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|                            |  |
|----------------------------|--|
| <b>Directors</b>           | B M Gale<br>P G Young  |
| <b>Registered number</b>   | 03841833   |
| <b>Registered office</b>   | One, The Boulevard<br>Cain Road<br>Bracknell<br>Berkshire            |
| <b>Independent Auditor</b> | KPMG LLP<br>2 Forbury Place<br>33 Forbury Road<br>Reading<br>RG1 3AD |

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## DIEBOLD NIXDORF (UK) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Introduction**

The directors present their Strategic Report for the year ended 31 December 2021.

#### **Principal activity**

Diebold Nixdorf (UK) Limited is a UK subsidiary of the Diebold Nixdorf Inc. group, which is a leading global provider of IT solutions and services for the Retail and Banking industries.

#### **Business Review**

Diebold Nixdorf (UK) Limited had a solid year, increasing revenue and profit for the year, as the UK emerged from the effects of the global COVID-19 pandemic.

Revenue increased to £155.8m (2020: £143.7m), with growth in hardware sales from the Retail Segment being the biggest contributor. The Banking Segment shrank slightly due to decreases in Service and Software revenue exceeding the increase in Hardware sales.

The reported operating profit has increased from £3.1m in 2020 to £3.5m in 2021 as a result of increased revenue and the effect of cost reduction initiatives.

Working capital has been closely measured and managed. Inventory decreased by £0.7m in the year, to £3.5m (2020: £4.2m) due to timing of deliveries of Retail Self Checkout orders compared to the prior year, Trade Receivables decreased by £9.8m to £23.4m (2020: £33.2m) and Trade Creditors increased by £2.0m to £22.7m (2020: £20.7m). Overall the Company met its objectives in managing working capital.

#### **Principal risks and uncertainties**

The Company's operations expose it to a variety of risks and uncertainties that could have a material adverse effect on the Company's strategy and performance. Many of these are beyond the Company's control and driven by factors that often cannot be predicted. The directors regularly review and agree policies for managing these risks.

##### ***Market and economic risk***

The strength of the domestic economy depends on a number of factors, including consumer confidence, unemployment levels, inflation and interest rates. A negative economic climate could have an adverse impact on the Company, through potentially creating financial pressure on our customers' ability and willingness to carry out capital investment, and therefore adversely affecting the purchase of our products or services. The key factors at present which could potentially negatively impact domestic economic conditions are:

##### ***Inflation risk***

The Company continually monitors the United Kingdoms level of inflation and factors this into its pricing and contracting considerations. As such, the directors do not consider the Company to have any significant exposure to inflation risk.

##### ***Liquidity risk***

The Company self-funds its operations, however, it operates within a Group cash-pooling facility should additional liquidity be required. As such, the directors do not consider the Company to have any significant exposure to liquidity risk.

##### ***Credit risk***

The Company minimises credit risk associated with its customer debtor book by applying appropriate credit verification and control procedures, and as such, the directors do not consider the Company to have any significant exposure to credit risk.

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## DIEBOLD NIXDORF (UK) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Competitive risk**

The Company operates in an intensely competitive information technology industry characterised by rapidly changing technology and evolving industry standards. The directors consider the Company has sufficient structures and processes in place to identify, manage and mitigate the impact of competitive risk.

#### **Foreign exchange rate risk**

The Company requires some foreign currency for its operations, which expose it to some level of foreign exchange rate risk. Natural hedging occurs through income receipts from customers in required currencies. The Company has not entered into any derivative instruments or hedging contracts to reduce exposure to adverse foreign currency changes. Due to the Company's limited foreign currency exposure, the directors do not consider the Company to have any significant exposure to foreign exchange rate risk.

#### **Outlook**

Looking forward we will look to build on the successful volume increases, continued requirement for the Group's technology solutions and continued investment in research and development to meet evolving customer requirements and to deal with the challenges they face.

#### **S.172(1) Statement and engagement with employees and other stakeholders**

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

This statement also includes disclosures relating to engagement with employees and other stakeholders.

The Company is part of the wider Diebold Nixdorf group and its ultimate parent company is Diebold Nixdorf, Incorporated. As such, the Company follows many of the processes and practices of the Diebold Nixdorf group which are further referenced in this statement where relevant.

When making decisions, each director ensures that they act in a way that they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

#### **S172(1) (A) "The likely consequences of any decision in the long term"**

The Company is run as a business unit of the Diebold Nixdorf group. The directors understand the business and the evolving environment in which we operate. The strategy followed by the directors, and decisions taken to implement it, is intended to strengthen our position in the marketplace over the longer term. Our directors apply the group strategies set by our ultimate parent company.

#### **S172(1) (B) "The interests of the Company's employees"**

The directors recognise that employees are fundamental to the Company's success and is dedicated to their growth and development. The Company continually communicates with its employees through formal and informal meetings, offline and online communications. The business leaders frequently organise calls with employees to discuss latest business strategy, business wins and current issues affecting the business, such as Covid-19. The Company frequently makes use of town hall meetings and employee surveys to obtain feedback and strengthen engagement.

#### **S172(1) (C) "The need to foster the Company's business relationships with suppliers, customers and others"**

The directors recognise the importance of clear communication and proactive engagement with stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the Company. The Company undertakes service reviews and customer satisfaction surveys to evaluate the quality of service provided; take relevant action on the basis of feedback received; and shape Company-wide future decision making to demonstrate continual improvement.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**S.172(1) Statement and engagement with employees and other stakeholders (continued)**

S172(1) (C) "The need to foster the Company's business relationships with suppliers, customers and others" (continued)

We engage with our suppliers to ensure they also uphold the same standard and share the same commitment. Our suppliers are expected to comply with all applicable laws, including applicable anti-corruption laws, around the world; promote diversity and good corporate citizenship; meet and exceed environment, health and safety standards; respect human rights; support a sustainable and transparent supply chain, including responsible mineral sourcing practices; and utilize management systems and processes necessary to enable compliance with the Supplier Code of Conduct.

S172(1) (D) "The impact of the Company's operations on the community and the environment"

The directors are committed to supporting economic, cultural, social and educational well-being of communities by investing in innovative programs that provide solutions and benefit to communities at large. The Company regularly volunteers time with the local community; examples include donation of food and equipment to local charities, promoting employees to sponsor local events and allowing employees to take 16 hours of volunteer paid time off per year.

More details on the Company's corporate social responsibility can be found on the group company website <https://www.dieboldnixdorf.com/en-us/about-us/esg/>

**S172(1) (E) "The desirability of the Company maintaining a reputation for high standards of business conduct"**

The Company follows policies set at the group level for engaging and maintaining business relationships. The Company and the wider Diebold Nixdorf group are committed to the highest ethical, social and environmental principles, consistent with Diebold Nixdorf's Code of Business Ethics and the Supplier Code of Conduct. The codes are designed to provide guidance on the group's standards for upholding the group's shared values, which form the foundation of business relationships with customers, partners, and suppliers that maintain and guide the decisions to achieve the Company's business objective. Further information on the group's shared values can be found within the Diebold Nixdorf annual report <https://investors.dieboldnixdorf.com/financials/annual-reports-and-proxy/default.aspx>.

**S172(1) (F) "The need to act fairly as between members of the Company"**

The Company is a wholly owned subsidiary of Wincor Nixdorf International GmbH and adheres to the group policies, often set by the ultimate parent, Diebold Nixdorf, Incorporated.

**Principal Decisions**

The Company adheres to policies and procedures which are often set by the ultimate parent company, Diebold Nixdorf, Incorporated.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Streamlined Energy and Carbon Reporting (SECR)****GHG emissions and energy data**

|  | Year to 31<br>December<br>2021 | Year to 31<br>December<br>2020 |
|--|--------------------------------|--------------------------------|
| <b>ENERGY CONSUMPTION TO CALCULATE EMISSIONS</b>   |                                |                                |
| Gas combustion Kilowatt Hours ('kWh')  | 950,641                        | 907,839                        |
| Purchased electricity kWh  | 1,194,031                      | 1,187,732                      |
| Transport fuel* kWh  | 5,643,238                      | 1,441,717                      |
| <b>Total energy consumption kWh</b>  | <b>7,787,910</b>               | <b>3,537,288</b>               |
| <b>EMISSIONS</b>   |                                |                                |
| Gas combustion tonnes CO2 equivalent ('tCO2e') (Scope 1)   | 174                            | 166                            |
| Purchased electricity tCO2e (Scope 2, location-based)  | 254                            | 252                            |
| Business travel in employee-owned vehicles where the company is responsible for purchasing the fuel* tCO2e (Scope 3) | 1,413                          | 342                            |
| <b>Total gross emissions tCO2e based on above</b>  | <b>1,841</b>                   | <b>760</b>                     |
| <b>INTENSITY RATIOS</b>  |                                |                                |
| tCO2e per Full Time Employee   | 2.83                           | 1.17                           |

\* Represents fuel used in company vehicles and personal cars on business use for which the company reimburses its employees following claims for business mileage.

**Methodology**

The emissions and energy data noted above has been collated, calculated and presented using the methodology set out in WRI / WBSCD The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), March 2004, including separate guidance on Scope 2 and Scope 3 emissions. Where data was not available for the whole reporting period, we have estimated based existing data and the office space (m<sup>2</sup>). The estimated locations make up approximately 2% of the total office space of sites reported.

**Energy efficiency actions taken**

For the Bracknell site, continued with minimal staff on site and worked with a facilities company to reduce A/C costs where possible. For the Milton Keynes site, the majority of office workers were moved to home working. Some warehouse gas heaters were shut down as they were not heating the warehouse properly. For the Stoke site, the warehouse roof was overlaid adding significantly improved roof insulation in late 2021. For the Dartford and Paddington sites, staffing was reduced due to COVID. There are plans to install further efficiency measures in 2022.

Approved by the board on 6th March 2023

and signed on its behalf.

  
**P G Young**  
Director

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## DIEBOLD NIXDORF (UK) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors

The directors who served during the year were:

B M Gale  
P G Young  
J M Ennis (resigned 14 February 2022)

#### Dividends

Dividends of £1,248,000 was proposed on 23 February 2021 by the board, which will be paid in 2022.

#### Employees

The Company employed 662 personnel (2020: 669) at the year end.

Employee engagement remained critical throughout the year to ensure all staff understood and were aligned behind the Global Business change programme, focusing on three high impact areas: Customer Focus, Operational Excellence and Culture and Talent, which included changes in our operating model.

The Company is absolutely committed to promoting an environment free from discrimination, harassment and victimisation and works hard to ensure everyone across the Company receives equal treatment, regardless of age, sex, sexual orientation, race, colour, nationality, ethnic origin, marital status, mental or physical disability, religion or belief.

Diebold Nixdorf (UK) Limited operates an equal opportunities employment policy and is opposed to all forms of discrimination. Our selection processes are non-discriminatory and always seek to give full and fair consideration to those with disabilities for all vacancies, taking into account their aptitudes and skills. In the event of employees becoming disabled, every effort is made to ensure their employment with the Company continues and appropriate training arranged. So far as possible the Company ensures that the training, career development and promotion of any disabled person is identical to that of a colleague who does not suffer from such a disability.

#### Employee and Stakeholder Engagement

We recognise the importance of clear communication and proactive engagement with our stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the Company. The Company's ultimate controlling party, Diebold Nixdorf, Incorporated, shapes the business strategies for the group which has an impact on the long-term development of the Company. In practice, all decisions and policies affecting employees, suppliers and business relationships with stakeholders are implemented by the directors in line with the business strategies decided at the group level and they promote the interests of the ultimate controlling party and the group as a whole. For further information on the strategy and governance of Diebold Nixdorf please refer to <https://www.dieboldnixdorf.com/en-us>.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018) (the 'Regulations'), we have set out the details on employee engagement and other key stakeholder engagement as part of our section 172 statement on pages 4 to 5.

#### Political donations

The Company made no political donations or incurred any political expenditure during the year (2020: £nil).

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## DIEBOLD NIXDORF (UK) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Going concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate for the following reasons:

As at 31 December 2021, the Company balance sheet had net current assets of £13,450,000 (2020: £11,378,000) and net assets of £16,468,000 (2020: £14,086,000). This included a cash balance of £670,000. The Company has no credit facilities in place.

The Company is the UK distributor of Diebold Nixdorf products and services and earns a fixed margin on these activities via a transfer pricing adjustment scheme. Further, the Company participates in a cash pooling arrangement with another Diebold Nixdorf entity and holds immaterial cash balance. Accordingly, the Company's activities are highly integrated with those of its parent Diebold Nixdorf Inc. ("the Parent Company") and its ability to settle liabilities is dependent on the financial condition of the Diebold Nixdorf Inc group ("the Group").

Based on the assumption that the Company will continue to distribute Diebold Nixdorf products and services in the UK and that the current cash pooling arrangements will remain available, the directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds, through its cash generation to meet its liabilities as they fall due for that period.

The directors have confirmed that the Group intends to continue to use the Company to sell to UK markets and have considered the current position of the Group. During the fourth quarter of 2022, an amendment to the Transaction Support Agreement was signed that requires the Parent Company to raise equity capital to repay all but £16.6 (\$20.0) million of the remaining principal balance of the legacy 2024 Senior Notes. The outstanding principal balance of the 2024 Senior Notes is £59.8 (\$72.1) million and may decrease as a result of a Public Exchange Offer that expires on March 23, 2024. If by April 15, 2024, the Parent Company is unable to reduce the principal balance of the 2024 Senior Notes below £16.6 (\$20.0) million either via participation in the Public Exchange Offer or raised equity capital, it will constitute an event of default under the Super priority Credit Facility, the Extended Term Loans and the 2025 Notes Indentures. As a result of this contingency and because participation in the Public Exchange Offer and an equity raise process are outside of the Groups' direct control, substantial doubt exists regarding the ability to continue as a going concern.

Based on the Parent Company's indications of its intent to support the Company, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis, as they have concluded that the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements (the going concern assessment period). However, these circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### Post balance sheet events

On December 29<sup>th</sup>, 2022 the Company signed documentation being the part of global re-financing arrangement. Under this arrangement the Company is the Guarantor and ABL (Assets Based Loan) Borrower.

#### Disclosure of information to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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**DIEBOLD NIXDORF (UK) LIMITED**

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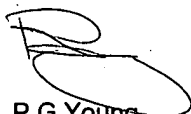
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Reappointment of Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the board on 6th March 2023 and signed on its behalf.



P G Young  
Director  
One, The Boulevard  
Cain Road  
Bracknell  
Berkshire

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**DIEBOLD NIXDORF (UK) LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIEBOLD NIXDORF (UK) LIMITED

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### Opinion

We have audited the financial statements of Diebold Nixdorf (UK) Limited (the "Company") for the year ended 31 December 2021, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements which describes that the Company is dependent on its ultimate parent, Diebold Nixdorf Inc., for continued support and indicates the uncertainties related to the ability of its ultimate parent company to support the Company. These events and conditions, along with the other matters explained in note 2.3, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIEBOLD NIXDORF (UK) LIMITED  
(CONTINUED)**

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**Fraud and breaches of laws and regulations - ability to detect**

Identifying and responding to risks of material misstatement due to fraud to identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIEBOLD NIXDORF (UK) LIMITED  
(CONTINUED)**

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**Fraud and breaches of laws and regulations - ability to detect (continued)**

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in other information;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIEBOLD NIXDORF (UK) LIMITED  
(CONTINUED)**

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**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Crowson*

Michael Crowson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
**Chartered Accountants**

2 Forbury Place  
33 Forbury Road  
Reading  
RG1 3AD  
Date: 7 March 2023

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**DIEBOLD NIXDORF (UK) LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

|  | Note | 2021<br>£000        | Restated*<br>2020<br>£000 |
|--|------|---------------------|---------------------------|
| Revenue                                | 4    | 155,772             | 143,657                   |
| Cost of sales                          |      | (128,344)           | (115,214)                 |
| <b>Gross profit</b>                    |      | <u>27,428</u>       | <u>28,443</u>             |
| Distribution costs                     |      | (1,549)             | (2,072)                   |
| Administrative charges                 |      | (32,346)            | (31,411)                  |
| Other income                           |      | 9,930               | 8,183                     |
| <b>Operating profit</b>                | 5    | <u>3,463</u>        | <u>3,143</u>              |
| Interest receivable and similar income | 9    | 289                 | 364                       |
| Interest payable and similar charges   | 10   | (900)               | (1,208)                   |
| <b>Profit before tax</b>               |      | <u>2,852</u>        | <u>2,299</u>              |
| Tax on profit                          | 11   | (417)               | (439)                     |
| <b>Profit for the year</b>             |      | <u><u>2,435</u></u> | <u><u>1,860</u></u>       |

All of the above results are from continuing activities.

The notes on pages 18 to 43 form part of these financial statements.

\* Refer to note 2 for description of the prior year restatement.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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|   | Note | 2021<br>£000        | 2020<br>£000        |
|---|------|---------------------|---------------------|
| Profit for the year   |      | 2,435               | 1,860               |
| <b>Other comprehensive income:</b>                            |      |                     |                     |
| <b>Items that will not be reclassified to profit or loss:</b> |      |                     |                     |
| Movement on tax relating to pension deficit                   |      | (314)               | 183                 |
| Actuarial gain/(loss) on pension scheme                       | 22   | 1,509               | (849)               |
|   |      | <u>1,195</u>        | <u>(666)</u>        |
| <b>Total comprehensive income for the year</b>                |      | <u><u>3,630</u></u> | <u><u>1,194</u></u> |

The notes on pages 18 to 43 form part of these financial statements.

**DIEBOLD NIXDORF (UK) LIMITED**  
**REGISTERED NUMBER:03841833**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

|   | Note | 2021<br>£000  | 2020<br>£000  |
|---|------|---------------|---------------|
| <b>Fixed assets</b>                                     |      |               |               |
| Intangible assets                                       | 12   | 3,320         | 3,569         |
| Property, plant and equipment                           | 13   | 734           | 1,157         |
| Right of use assets                                     | 14   | 6,998         | 4,145         |
| Investment in subsidiaries                              | 16   | -             | -             |
|   |      | <u>11,052</u> | <u>8,871</u>  |
| <b>Current assets</b>                                   |      |               |               |
| Inventories   | 17   | 3,481         | 4,243         |
| Trade and other receivables                             | 18   | 55,182        | 58,079        |
| Cash at bank and in hand                                |      | 670           | 485           |
|   |      | <u>59,333</u> | <u>62,807</u> |
| Creditors: amounts falling due within one year          | 19   | (45,883)      | (51,429)      |
| <b>Net current assets</b>                               |      | <u>13,450</u> | <u>11,378</u> |
| <b>Total assets less current liabilities</b>            |      | <u>24,502</u> | <u>20,249</u> |
| Creditors: amounts falling due after more than one year | 20   | (6,798)       | (3,493)       |
| <b>Provision for liabilities</b>                        |      |               |               |
| Pension liabilities                                     | 22   | (1,236)       | (2,670)       |
| <b>Net assets</b>                                       |      | <u>16,468</u> | <u>14,086</u> |
| <b>Capital and reserves</b>                             |      |               |               |
| Called up share capital                                 | 23   | 11,644        | 11,644        |
| Profit and loss account                                 |      | 4,824         | 2,442         |
| <b>Shareholders' funds</b>                              |      | <u>16,468</u> | <u>14,086</u> |

Approved by the board on 6th March 2023

and signed on its behalf by:

  
P.G Young  
Director

The notes on pages 18 to 43 form part of these financial statements.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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|  | Called up<br>share capital<br>£000 | Profit and<br>loss account<br>£000 | Total<br>£000 |
|--|------------------------------------|------------------------------------|---------------|
| <b>At 1 January 2020</b>                       | 11,644                             | 1,248                              | 12,892        |
| Profit for the year                            | -                                  | 1,860                              | 1,860         |
| Movement on tax relating to pension deficit    | -                                  | 183                                | 183           |
| Actuarial loss on pension scheme               | -                                  | (849)                              | (849)         |
| <b>Total comprehensive income for the year</b> | -                                  | 1,194                              | 1,194         |
| <b>At 1 January 2021</b>                       | 11,644                             | 2,442                              | 14,086        |
| Profit for the year                            | -                                  | 2,435                              | 2,435         |
| Movement on tax relating to pension deficit    | -                                  | (314)                              | (314)         |
| Actuarial gain on pension scheme               | -                                  | 1,509                              | 1,509         |
| <b>Total comprehensive income for the year</b> | -                                  | 3,630                              | 3,630         |
| Dividend payable                               | -                                  | (1,248)                            | (1,248)       |
| <b>At 31 December 2021</b>                     | 11,644                             | 4,824                              | 16,468        |

The notes on pages 18 to 43 form part of these financial statements.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

The Company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

The principal activity of Diebold Nixdorf (UK) Limited is a UK subsidiary of the Diebold Nixdorf Inc. group, which is a leading global provider of IT solutions and services for the Retail and Banking industries. The Company's registered number is 03841833.

The address of its registered office is:  
One, The Boulevard  
Cain Road  
Bracknell  
Berkshire  
RG12 1WP

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

###### ***Summary of significant accounting policies and key accounting estimates***

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

###### ***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention and in accordance with applicable law.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The presentation currency of the financial statements is Pounds Sterling (£) and all amounts are rounded to the nearest thousand pounds.

###### ***Exemption from preparing group accounts***

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

###### ***Summary of disclosure exemptions***

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101.

These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management; and
- the effects of new but not yet effective IFRS.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.1 Basis of preparation of financial statements (continued)

As the Company is a wholly owned subsidiary of Wincor Nixdorf International GmbH, the majority of the Company's voting rights are ultimately controlled within the group headed by Diebold Nixdorf Inc, the Company has also taken exemption under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by *IFRS 7 Financial Instrument Disclosures*.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Diebold Nixdorf Inc, within which this Company is included, and can be obtained from 5995 Mayfair Road, PO Box 3077, North Canton, Ohio 44720-8077, USA.

##### ***New standards, interpretations and amendments effective***

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021.

- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16); and
- Amendments to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021;

These amendments had no impact on the financial statements of the Company.

##### 2.2 Restatement of prior periods

The management has reclassified amounts previously included within Administration charges to Other income and disclosed it on the face of income statements for a better presentation. A result, the financial statements for the year ended 31 December 2020 were restated for reclassification resulting in an increase in Administration charges as well as Other income by £8,183,000. This reclassification has not changed gross profit or profit or retained earnings for this year as well as retained earnings as of 01 January 2020.

##### 2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate for the following reasons:

As at 31 December 2021, the Company balance sheet had net current assets of £13,450,000 (2020: £11,378,000) and net assets of £16,468,000 (2020: £14,086,000). This included a cash balance of £670,000. The Company has no credit facilities in place.

The Company is the UK distributor of Diebold Nixdorf products and services and earns a fixed margin on these activities via a transfer pricing adjustment scheme. Further, the Company participates in a cash pooling arrangement with another Diebold Nixdorf entity and holds immaterial cash balance. Accordingly, the Company's activities are highly integrated with those of its parent Diebold Nixdorf Inc. ("the Parent Company") and its ability to settle liabilities is dependent on the financial condition of the Diebold Nixdorf Inc group ("the Group").

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Going concern (continued)

Based on the assumption that the Company will continue to distribute Diebold Nixdorf products and services in the UK and that the current cash pooling arrangements will remain available, the directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds, through its cash generation to meet its liabilities as they fall due for that period.

The directors have confirmed that the Group intends to continue to use the Company to sell to UK markets and have considered the current position of the Group. During the fourth quarter of 2022, an amendment to the Transaction Support Agreement was signed that requires the Parent Company to raise equity capital to repay all but £16.6 (\$20.0) million of the remaining principal balance of the legacy 2024 Senior Notes. The outstanding principal balance of the 2024 Senior Notes is £59.8 (\$72.1) million and may decrease as a result of a Public Exchange Offer that expires on March 23, 2024. If by April 15, 2024, the Parent Company is unable to reduce the principal balance of the 2024 Senior Notes below £16.6 (\$20.0) million either via participation in the Public Exchange Offer or raised equity capital, it will constitute an event of default under the Super priority Credit Facility, the Extended Term Loans and the 2025 Notes Indentures. As a result of this contingency and because participation in the Public Exchange Offer and an equity raise process are outside of the Groups' direct control, substantial doubt exists regarding the ability to continue as a going concern.

Based on the Parent Company's indications of its intent to support the Company, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis, as they have concluded that the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements (the going concern assessment period). However, these circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

##### 2.4 Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for indicators of impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the period and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Negative goodwill arising on business combinations in respect of acquisitions is included within fixed assets and released to the income statement in the periods in which the non-monetary assets arising on the same acquisition are recovered, whether through depreciation or sale. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit and loss in the periods expected to benefit.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.5 Intangible assets and amortisation**

Intangible assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably. Fair values are restricted to an amount that does not create, or increase, any negative goodwill.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods over a maximum of 5 years.

***Impairment of property, plant and equipment and goodwill***

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount impairment losses are recognised in the income statement.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

***Product development costs***

Any expenditure on pure research is expensed as incurred. Product development expenditure is written off in the period of expenditure except when:

- There is a clearly defined project;
- The related expenditure is separately identifiable;
- The outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its ultimate commercial viability;
- The aggregate of the deferred development costs, any further development costs, and related operating costs is expected to be exceeded by related future revenues; and
- Adequate resources are expected to be available to enable the project to be completed and to provide any consequential increases in working capital.

In foregoing circumstances development expenditure is deferred to the extent that its recovery can reasonably be regarded as assured. Development costs deferred to future periods are amortised on a straight line basis over the period of the related initial customer contract, with amortisation commencing from the start of live operation of the customer service.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.6 Property, plant and equipment and depreciation

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

|   |  |
|---|--|
| Leasehold improvements                  | 5 years                                    |
| Fixtures, fittings, tools and equipment | 3 to 5 years or over life of lease if less |

##### 2.7 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the statement of financial position date and the gains or losses on translation are included in the income statement.

##### 2.8 Post-retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

##### Post-retirement benefits - Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted.

The Company determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to the defined benefit plan in employee benefit expenses in the income statement.

The calculation of the defined benefit obligation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

##### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. In determining the cost of finished goods and goods for resale, the weighted average purchase price is used.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 2. Accounting policies (continued)

### 2.10 Other Income

Other income relates to recharge of personnel costs incurred by employee and directors of the Company for services provided to other legal entities on cost plus basis. Income is accrued on monthly basis based on the time spent and recharge to the group entities.

### 2.11 Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using tax rates enacted or substantively enacted at the statement of financial position date and that are expected to apply in the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 2.12 Revenue recognition

Revenue is recognised after deduction of bonuses, discounts or rebates when control over the goods or services has been transferred to the customer. In general, this is the case when the delivery has been made or the service has been rendered, the rights and payment terms regarding goods and services to be transferred can be identified and when the receipt of payment is reasonably certain. Revenue for contracts with customers, particularly in relation to the sale of ATMs and ePOS systems as well as the provision of services, is recognised in the Company primarily on the basis of individual contracts. Revenue is recognised at the amount of the contractually agreed consideration as soon as the customer has gained control over the goods or uses the services provided. Under IFRS 15, the total consideration attributable to service contracts is allocated to the services on the basis of stand-alone selling prices. The standalone selling prices are determined on the basis of the list prices at which the Company offers its services as part of separate transactions. Based on the Company's assessment, the fair values and the standalone selling prices for services are, to a large extent, comparable. Significant financing components are not included in the contracts with customers as standard market payment targets are agreed as a general rule. A provision is set up for statutory and contractual warranty obligations.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.12 Revenue recognition (continued)

With regard to projects which are under the control of the ordering party during production and for which the Company has a legal right to payment for the work already performed, including an appropriate margin, Diebold Nixdorf recognises revenue and the cost of sales in accordance with the degree of completion. This means that, for these projects, control is transferred and revenue is recognised over a specific period. The degree of completion is determined using the milestone method; in other words, work performed is recognised in relation to total work, which best represents the performance progress. If the earnings from a contract cannot be determined reliably, revenue is only recognised in the amount of the costs incurred that are likely recoverable.

Under bill-and-hold arrangements, an entity bills a customer and recognises revenue for a product but retains physical possession of the product until it is transferred to the customer at a point in time in the future. In order to recognise revenue appropriately, an entity should determine when it has satisfied its performance obligation to transfer a product by evaluating when a customer obtains control of that product. Typically, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the terms of the contract.

##### 2.13 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### *As a lessee*

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.13 Leases (continued)**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;  
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'right of use assets' and lease liabilities in 'creditors' in the Statement of Financial Position.

**2.14 Provisions for liabilities and charges**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are discounted to present value using a pre-tax discount rate that reflects the risks specific to the liability, where the effect is material.

**2.15 Financial instruments**

**(i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

**(ii) Classification and subsequent measurement**

**Financial assets**

**(a) Classification**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances, bank and call deposits.

***(b) Subsequent measurement and gains and losses***

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

***Financial assets at amortised cost*** - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.15 Financial instruments (continued)

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

##### (iii) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

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## DIEBOLD NIXDORF (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 2. Accounting policies (continued)

### 2.15 Financial instruments (continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

### 2.16 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.17 Dividends on shares presented within shareholders' funds**

Dividends unpaid at the statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed in this note. The directors do not consider there to be any critical accounting judgements, estimates or assumptions.

*Pension and post-employment benefits*

The pension liability valuation is £1,236,000. The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rate of corporate bonds in the respective currency with at least A-2 rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of Bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the UK. Future salary increases and pension increases are based on expected future inflation rates for the UK. Further details are given in note 22.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

|          | 2021<br>£000   | 2020<br>£000   |
|----------|----------------|----------------|
| Retail   | 51,220         | 36,072         |
| Banking  | 15,844         | 15,537         |
| Services | 88,708         | 92,048         |
|          | <u>155,772</u> | <u>143,657</u> |

All of the Company's turnover has been generated from the UK.

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers

|                      |    | 2021<br>£000      | 2020<br>£000      |
|----------------------|----|-------------------|-------------------|
| Receivables          | 18 | 23,399            | 33,187            |
| Contract assets      | 18 | -                 | -                 |
| Contract liabilities | 19 | 29                | 36                |
|                      |    | <u>          </u> | <u>          </u> |

The amount of revenue recognised in the current period from performance obligations satisfied in previous periods was £nil.

The amount of revenue recognised in the current year that was included in the contract liability balance at the beginning of the year was £6,505,812 (2020: £5,118,000).

**5. Operating profit**

Arrived at after charging/(crediting)

|   | 2021<br>£000      | 2020<br>£000      |
|---|-------------------|-------------------|
| Depreciation expense                        | 571               | 563               |
| Amortisation expense on intangible asset    | 249               | 249               |
| Amortisation expense on right of use assets | 1,961             | 2,172             |
| Audit fees payable                          | 131               | 368               |
|   | <u>          </u> | <u>          </u> |

**6. Auditor's remuneration**

Fees payable to the Company's auditor during the year for the non-audit services was £nil.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows: |

|                                     | 2021<br>£000  | 2020<br>£000  |
|-------------------------------------|---------------|---------------|
| Wages and salaries                  | 40,230        | 39,029        |
| Social security costs               | 4,831         | 4,699         |
| Cost of defined contribution scheme | 1,895         | 1,795         |
|                                     | <u>46,956</u> | <u>45,523</u> |

The average monthly number of people (including directors) employed by the Company during the year, analysed by activity, was as follows:

|   | 2021<br>No. | 2020<br>No. |
|---|-------------|-------------|
| Logistics, administration and sales support | 67          | 71          |
| Sales                                       | 51          | 53          |
| Customer support and services               | 537         | 545         |
|   | <u>655</u>  | <u>669</u>  |

**8. Directors' remuneration**

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| <b>The directors' emoluments for the year was as follows:</b> |              |              |
| Aggregate emoluments  | 1,385        | 1,198        |
| Company contributions to money purchase pension schemes       | 57           | 58           |
|   | <u>1,442</u> | <u>1,256</u> |

The total amount of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £692,924 (2020: £508,845), and Company pension contributions of £18,152 (2020: £20,967) were made to money purchase scheme on this behalf.

|   | 2021<br>No. | 2020<br>No. |
|---|-------------|-------------|
| Number of directors accruing benefits under a money purchase scheme | 2           | 2           |
| Number of directors who exercised share options                     | 2           | 2           |

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**9. Interest receivable and similar income**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Interest income on defined benefit obligation    | 283          | 356          |
| Interest income from loans to group undertakings | 6            | 8            |
|  | <u>289</u>   | <u>364</u>   |

**10. Interest payable and similar charges**

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Interest expense on lease liabilities       | 579          | 795          |
| Interest cost on defined benefit obligation | 319          | 405          |
| Other finance costs                         | 2            | -            |
| Interest paid to group undertakings         | -            | 8            |
|   | <u>900</u>   | <u>1,208</u> |

**11. Income tax**

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| <b>Current taxation</b>                        |              |              |
| UK corporation tax                             | 689          | 597          |
| UK corporation tax adjustment to prior periods | (100)        | (80)         |
| <b>Total current tax</b>                       | <u>589</u>   | <u>517</u>   |
| <b>Deferred taxation</b>                       |              |              |
| Current year                                   | (70)         | (57)         |
| Effect of changes in tax rates                 | (102)        | (21)         |
| <b>Total deferred taxation</b>                 | <u>(172)</u> | <u>(78)</u>  |
| <b>Tax expense in the income statement</b>     | <u>417</u>   | <u>439</u>   |

Tax expense included in other comprehensive income.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Income tax (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£000 | 2020<br>£000 |
|--|--------------|--------------|
| Profit before tax  | 2,852        | 2,299        |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 541          | 437          |
| <b>Effects of:</b>   |              |              |
| Adjustments to tax charge in respect of prior periods  | (100)        | (80)         |
| Non-deductible expenses  | 78           | 103          |
| Tax rate changes   | (102)        | (21)         |
| <b>Total tax charge for the year</b>   | <b>417</b>   | <b>439</b>   |

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2020: 19%).

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**12. Intangible assets**

|                                     | Goodwill<br>£000 | Product<br>development<br>costs<br>£000 | Total<br>£000 |
|-------------------------------------|------------------|---|---------------|
| <b>Cost</b>                         |                  |   |               |
| At 1 January 2021                   | 12,763           | 1,811                                   | 14,574        |
| At 31 December 2021                 | 12,763           | 1,811                                   | 14,574        |
| <b>Amortisation</b>                 |                  |   |               |
| At 1 January 2021                   | 10,341           | 664                                     | 11,005        |
| Charge for the year on owned assets | -                | 249                                     | 249           |
| At 31 December 2021                 | 10,341           | 913                                     | 11,254        |
| <b>Net book value</b>               |                  |   |               |
| At 31 December 2021                 | 2,422            | 898                                     | 3,320         |
| At 31 December 2020                 | 2,422            | 1,147                                   | 3,569         |

Capitalised product development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as, in the directors' view, it is an asset that will result in future economic benefits arising from increased revenue and related profits/reduced costs.

In accordance with FRS 101, goodwill is not amortised, but is reviewed annually for indications of impairment or more frequently if there are indications that it may be impaired. The carrying amount was tested for impairment at 31 December 2021. The directors consider each acquisition separately for the purpose of determining the impairment of any goodwill that arises. Goodwill relates to (i) the acquisition of Siemens Nixdorf Retail and Banking Limited on 22 December 1999, which has been assessed as fully impaired at 31 December 2018, and (ii) the business of Datalect Group Limited which was transferred to the Company on 1 October 2008 and was tested for impairment at 31 December 2021. Having assessed the anticipated future cashflows of the business, the directors do not consider there to be any impairment charge to be recognised by the Company in the year ended 31 December 2021.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**13. Property, plant and equipment**

|                                     | Leasehold<br>improvements<br>£000 | Furniture,<br>fixtures and<br>fittings<br>£000 | Total<br>£000 |
|-------------------------------------|-----------------------------------|--|---------------|
| <b>Cost or valuation</b>            |                                   |  |               |
| At 1 January 2021                   | 2,577                             | 1,410  | 3,987         |
| Additions                           | 148                               | -  | 148           |
| At 31 December 2021                 | <u>2,725</u>                      | <u>1,410</u>                                   | <u>4,135</u>  |
| <b>Depreciation</b>                 |                                   |  |               |
| At 1 January 2021                   | 1,849                             | 981  | 2,830         |
| Charge for the year on owned assets | 397                               | 174  | 571           |
| At 31 December 2021                 | <u>2,246</u>                      | <u>1,155</u>                                   | <u>3,401</u>  |
| <b>Net book value</b>               |                                   |  |               |
| At 31 December 2021                 | <u>479</u>                        | <u>255</u>                                     | <u>734</u>    |
| At 31 December 2020                 | <u>728</u>                        | <u>429</u>                                     | <u>1,157</u>  |

**DIEBOLD NIXDORF (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. Right of use assets**

|                          | Leasehold<br>property<br>£000 | Vehicles and<br>equipment<br>£000 | Total<br>£000 |
|--------------------------|-------------------------------|-----------------------------------|---------------|
| <b>Cost or valuation</b> |                               |                                   |               |
| At 1 January 2021        | 6,029                         | 2,384                             | 8,413         |
| Additions                | 4,502                         | 557                               | 5,059         |
| Disposals                | (949)                         | (1,034)                           | (1,983)       |
| At 31 December 2021      | <u>9,582</u>                  | <u>1,907</u>                      | <u>11,489</u> |
| <b>Depreciation</b>      |                               |                                   |               |
| At 1 January 2021        | 2,894                         | 1,374                             | 4,268         |
| Charge for the year      | 1,359                         | 602                               | 1,961         |
| Disposals                | (712)                         | (1,026)                           | (1,738)       |
| At 31 December 2021      | <u>3,541</u>                  | <u>950</u>                        | <u>4,491</u>  |
| <b>Net book value</b>    |                               |                                   |               |
| At 31 December 2021      | <u>6,041</u>                  | <u>957</u>                        | <u>6,998</u>  |
| At 31 December 2020      | <u>3,135</u>                  | <u>1,010</u>                      | <u>4,145</u>  |

**15. Lease liabilities**

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| <b>Amounts falling due within one year</b>          |              |              |
| Lease liabilities (note 19)                         | 1,889        | 1,801        |
| <b>Amounts falling due after more than one year</b> |              |              |
| Lease liabilities (note 20)                         | <u>6,798</u> | <u>3,493</u> |

*Amounts recognised in profit or loss*

The following amounts have been recognised in profit or loss for which the Company is a lessee:

|                                       | 2021<br>£000 | 2020<br>£000 |
|---------------------------------------|--------------|--------------|
| Interest expense on lease liabilities | <u>579</u>   | <u>795</u>   |

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Investments in subsidiaries**

|                                     | 2021 | 2020 |
|-------------------------------------|------|------|
| <b>Cost</b>                         |      |      |
| At beginning and at end of the year | 1    | 1    |

Details of the subsidiary as at 31 December 2021 is as follows:

| <i>Name of subsidiary</i>                | <i>Principal activity</i> | <i>Registered office</i>   | <i>Holding</i> | <i>Proportion of ownership interest and voting rights held</i> |      |
|--|---------------------------|--|----------------|--|------|
|  |                           |  |                | 2021   | 2020 |
| Diebold Nixdorf Banking Services Limited | Servicing of IT equipment | One, The Boulevard, Cain Road, Bracknell, Berkshire, RG12 1WP United Kingdom | Ordinary       | 100%   | 100% |

On the 4th January 2022 Diebold Nixdorf Banking Services Limited was wound up by way of strike off.

**17. Inventories**

|                                     | 2021<br>£000 | 2020<br>£000 |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | 2,268        | 2,162        |
| Work in progress                    | 1,213        | 2,081        |
|                                     | 3,481        | 4,243        |

**18. Trade and other receivables**

|                                    | 2021<br>£000 | 2020<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 28,380       | 19,955       |
| Trade receivables                  | 23,399       | 33,187       |
| Other receivables                  | 1,925        | 3,039        |
| Prepayments and accrued income     | 1,063        | 1,064        |
| Deferred tax asset                 | 21 310       | 564          |
| Corporation tax asset              | 105          | 270          |
|                                    | 55,182       | 58,079       |

All amounts owed by group undertakings are non-interest bearing and repayable on demand.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**19. Creditors: Amounts falling due within one year**

|                                    | 2021<br>£000 | 2020<br>£000 |
|------------------------------------|--------------|--------------|
| Trade creditors                    | 22,654       | 20,715       |
| Accruals and deferred income       | 10,337       | 12,613       |
| Amounts owed to group undertakings | 5,309        | 7,250        |
| Taxation and social security       | 4,134        | 8,315        |
| Short term lease liabilities       | 1,889        | 1,801        |
| Dividend payable                   | 1,248        | -            |
| Payment on account                 | 283          | 636          |
| Contract liabilities               | 29           | 36           |
| Deferred tax liability             | 21           | 63           |
|                                    | 45,883       | 51,429       |

All amounts owed to group undertakings are payable on demand, unsecured and non-interest bearing.

**20. Creditors: Amounts falling due after more than one year**

|                             | 2021<br>£000 | 2020<br>£000 |
|-----------------------------|--------------|--------------|
| Long term lease liabilities | 6,798        | 3,493        |

**21. Deferred tax**

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| <b>At beginning of the year:</b>                              |              |              |
| Relating to origination and reversal of temporary differences | (63)         | (107)        |
| Relating to defined benefit pension deficit                   | 564          | 464          |
| <b>Movement in deferred tax during the year:</b>              |              |              |
| Included in the income statement                              | 172          | 78           |
| Included in other comprehensive income                        | (363)        | 183          |
| <b>At end of the year</b>                                     | 310          | 618          |

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**21. Deferred tax (continued)**

The elements of deferred taxation are as follows:

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Difference between accumulated depreciation and amortisation and capital allowances | 10           | (63)         |
| Defined benefit asset   | 300          | 564          |
| <b>Net deferred tax asset (see note 18 and 19)</b>                                  | <u>310</u>   | <u>501</u>   |

**22. Pension and other schemes**

**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £2,182,339 (2020 - £1,682,076).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**Defined benefit pension schemes**

The Company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held in a separate trustee administered fund. The scheme is closed to new entrants. An actuarial valuation was carried out at 31 December 2021 for FRS 101 purposes by a qualified independent actuary.

The liabilities have been calculated with reference to the membership data as at 30 September 2019, the date of the latest completed triennial funding valuation. As a part of triennial valuation 2016, the Trustees and the Employer have agreed a recovery plan in order to eliminate the deficit of £2,472,000. This states that the Employer shall pay deficit contributions of £312,000 per annum from 1 January 2018 to 31 December 2022. The total contributions paid during the year including the normal contributions for the year 31 December 2021 is £85,000 (2020: £1,106,000).

The information disclosed below is in respect of the whole of the plan for which the Company is the sponsoring employer throughout the years shown.

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**DIEBOLD NIXDORF (UK) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**22. Pension and other schemes (continued)**

|  | 2021<br>£000   | 2020<br>£000   |
|--|----------------|----------------|
| Fair value of assets   | 20,985         | 20,340         |
| Defined benefit obligation                                   | (22,221)       | (23,010)       |
| <b>Net defined benefit liability as of the year end date</b> | <b>(1,236)</b> | <b>(2,670)</b> |
| Change in defined benefit obligation                         |                |                |
|  | 2021<br>£000   | 2020<br>£000   |
| Defined benefit obligation as of the prior period end date   | 23,010         | 21,504         |
| Current service cost   | 124            | 113            |
| Interest cost on the defined benefit obligation              | 319            | 405            |
| Remeasurement  | (851)          | 1,701          |
| Plan participants' contributions                             | 16             | 19             |
| Disbursements from plan assets                               | (397)          | (732)          |
| <b>Defined benefit obligation as of the year end date</b>    | <b>22,221</b>  | <b>23,010</b>  |
| Change in plan assets  |                |                |
|  | 2021<br>£000   | 2020<br>£000   |
| Fair value of plan assets as of the prior period end date    | 20,340         | 18,739         |
| Interest income on plan assets                               | 283            | 356            |
| Return on plan assets greater than discount rate             | 658            | 852            |
| Employer contributions                                       | 85             | 1,106          |
| Plan participants' contributions                             | 16             | 19             |
| Disbursements  | (397)          | (732)          |
| <b>Fair value of plan assets as of the year end date</b>     | <b>20,985</b>  | <b>20,340</b>  |

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**22. Pension and other schemes (continued)**

Cost in profit and loss for current year

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Current service cost                        | 124          | 113          |
| Interest cost on defined benefit obligation | 319          | 405          |
| Interest income on plan assets              | (283)        | (356)        |
| <b>Cost recognised in Income Statement</b>  | <b>160</b>   | <b>162</b>   |

Remeasurement effects recognised in other comprehensive income (OCI)

|  | 2021<br>£000   | 2020<br>£000 |
|--|----------------|--------------|
| Actuarial loss                                   | (851)          | 1,701        |
| Return on plan assets greater than discount rate | (658)          | (852)        |
| <b>Remeasurement effects recognised in OCI</b>   | <b>(1,509)</b> | <b>849</b>   |

The total amount recognised in other comprehensive income in respect of remeasurement effects is a profit of £1,509,000 (2020: loss of £849,000).

|   | 2021<br>£000  | 2020<br>£000  |
|---|---------------|---------------|
| Equities                                  | 7,246         | 5,951         |
| Bonds and cash                            | 9,227         | 10,809        |
| Real estate                               | 1,892         | 1,332         |
| Other quoted securities                   | 2,620         | 2,248         |
| <b>Closing defined benefit obligation</b> | <b>20,985</b> | <b>20,340</b> |

|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| Actual return on plan asset over period | 941          | 1,208        |

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**22. Pension and other schemes (continued)**

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the scheme's investment portfolio.

|   | 2021                   | 2020                   |
|---|------------------------|------------------------|
|   | % pa                   | % pa                   |
| Discount rate   | 1.80                   | 1.40                   |
| Rate of salary increases                                | 3.25                   | 2.75                   |
| Rate of price inflation (RPI)                           | 3.40                   | 3.20                   |
| Rate of price inflation (CPI)                           | 3.00                   | 2.40                   |
| Rate of increase for pension in deferment               | 2.50                   | 2.40                   |
| Rate of increase for pension in payment (RPI, max 5%)   | 3.20                   | 3.00                   |
| Rate of increase for pension in payment (CPI, max 2.5%) | 2.00                   | 1.90                   |
|   | <u>          </u>      | <u>          </u>      |
|   | 2021                   | 2020                   |
| <b>Mortality</b>  |                        |                        |
| - Base table  | 90% S3PA               | 90% S3PA               |
|   | CMI_2020               | CMI_2019               |
|   | Core                   | Core                   |
| - Future improvements                                   |                        |                        |
| - Long term rate  | 1.50%                  | 1.50%                  |
|   | <u>          </u>      | <u>          </u>      |
|   | -                      | -                      |
| <b>Expected future lifetime from age 65:</b>            |                        |                        |
| - Male currently aged 65                                | 22.88                  | 22.9                   |
| - Female currently aged 65                              | 25.4                   | 25.2                   |
| - Male currently aged 45                                | 24.62                  | 24.6                   |
| - Female currently aged 45                              | 27.1                   | 26.9                   |
| Withdrawals   | nil                    | nil                    |
|   | 2.25 times             | 2.25 times             |
|   | <u>          </u>      | <u>          </u>      |
| Commutation   | <u>initial pension</u> | <u>initial pension</u> |
|   | <u>          </u>      | <u>          </u>      |

The weighted average duration of the defined benefit obligation at the end of the reporting period is 20 years.

The changes in methodology on deriving the CPI from the prior year were due to the announcement by the UK Chancellor, and the confirmation by the UK Statistics Authority on 4th September 2019 that the RPI could be changed from 2030 without the consent of the government, including the intention to align the RPI to CPIH.

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**DIEBOLD NIXDORF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**22. Pension and other schemes (continued)**

|   | 2021<br>£000   | 2020<br>£000   |
|---|----------------|----------------|
| Net defined benefit liability as of the prior period end date | (2,670)        | (2,765)        |
| Cost recognised in Profit and Loss Account                    | (160)          | (162)          |
| Remeasurement gain/(loss) recognised in OCI                   | 1,509          | (849)          |
| Employer contributions paid to plan assets                    | 85             | 1,106          |
| <b>Net defined benefit liability as of the year end date</b>  | <u>(1,236)</u> | <u>(2,670)</u> |

The expected returns on plan assets are estimates of market expectations at the beginning of the period for returns over the entire life of the benefit obligation.

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the time-scale covered, may not necessarily be borne out in practice.

**23. Share capital**

|  | 2021<br>£000  | 2020<br>£000  |
|--|---------------|---------------|
| <b>Allotted, called up and fully paid</b>                    |               |               |
| 11,644,291 (2020 - 11,644,291) Ordinary shares of £1.00 each | <u>11,644</u> | <u>11,644</u> |

**24. Post balance sheet events**

On December 29<sup>th</sup> 2022, the Company signed documentation being the part of global re-financing arrangement. Under this arrangement the Company is the Guarantor and ABL (Assets Based Loan) Borrower.

**25. Ultimate parent undertaking**

The ultimate parent company and ultimate controlling parent undertaking is Diebold Nixdorf Inc, incorporated in the USA.

The smallest and largest group in which the results of the Company are consolidated is that headed by Diebold Nixdorf Inc. The consolidated financial statements of Diebold Nixdorf Inc are available to the public and may be obtained from 5995 Mayfair Road, PO Box 3077, North Canton, Ohio 44720-8077, USA.