

Krupa Global Investments Critiques Diebold Nixdorf Executive Compensation and Turnaround Plan; Releases Information Demand

The Central Europe based investment firm, previously known as Arca Capital, is raising concerns about the financial and retail technology firm's executive compensation and turnaround plan in the form of an open letter addressed to management

Krupa Global Investments ("KGI"), one of the largest institutional shareholders of Diebold Nixdorf, is demanding answers from management of the Ohio-based financial and retail technology company in an open letter to management released on December 19, 2018. The letter is an update on an initial information demand issued on August 1, 2018 demanding specific information from management pursuant to Section 220 of Delaware General Corporation Law. Krupa Global Investments currently owns 862,948 shares of Diebold Nixdorf, equal to an approximately 1.1% of outstanding shares.

The letter, in its entirety, can be found here:

http://www.krupainvestments.com/content/uploads/2018/12/kgi_information-demand-to-the-management-of-diebold-nixdorf_18-12-2018.pdf

In the letter, KGI draws attention to concerns about Diebold Nixdorf management's handling of the firm's integration of Wincor Nixdorf, product-line issues, debt levels, and executive compensation. KGI has stressed the need for a stronger turnaround plan than the current "DN Now" plan promoted by management.

"We call on management to reassure investors that they have a concrete plan to integrate Wincor Nixdorf and in doing so cut costs, pay down debt and streamline product offerings. While the DN Now plan is a beginning, it fails to address our concerns concretely," said Pavol Krupa, Chairman of Krupa Global Investments.

KGI also called attention to Diebold Nixdorf's executive compensation practices. Specifically, KGI contends that the share-based incentive compensation program is excessive and wholly undeserved due to the company's operational performance and its stock performance. According to Diebold Nixdorf's Q3 Earnings Report presentation, \$7 Million in incentive compensation was distributed. During that same period, the stock price fell from \$12.10 to \$4.50 per share, a decline of over 60%. The company's 2018 incentive compensation budget is \$35 Million. KGI notes that in the company's Q1 2018 earnings call, management announced it was suspending the company's shareholder dividend which had been maintained continuously for over 60 years in order to save approximately \$30 Million annually.

Mr. Krupa underscored this point and stressed the need for management to be held accountable for the company's performance.

"Management is rewarding itself with undeserved incentive-based compensation but hey frankly have done nothing to warrant such incentives. It is very unclear what incentives have been satisfied when Diebold Nixdorf stock has fallen over 60% in the third quarter of 2018 alone. It is irresponsible and undignified for management to cut the shareholder dividend while richly rewarding themselves. I would be embarrassed to do such a thing. Management must show solidarity with investors and cut incentive compensation entirely until performance and stock price improves significantly."

Contact for media:

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Krupa Global Investments plans to meet with Alexander Roeper's Atlantic Investment Management, which owns approximately 5% of Diebold Nixdorf, as well as with other significant institutional shareholders to build consensus for its point of view. Additionally, KGI plans to liaise directly with management to put together a constructive resolution to its concerns.

About Krupa Global Investments:

Krupa Global Investments, previously known as Arca Capital, is a private investment group with a focus on energy, real estate, retail and service activities, as well as regulated activities focused on building and managing fund structures focusing on energy, real estate and financial services. It is named after its founder and chairman, Pavol Krupa. The firm takes an activist approach, with the goal of remedying and eliminating management actions that have a negative impact on companies, and with the goal of achieving significant positive change in strategy, financial structure or management. The firm has fought and won many successful battles and in so doing has streamline companies and realize hundreds of millions in shareholder value. Krupa Global Investments currently has approximately \$2 Billion in Assets Under Management.

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