

3D EUROPEAN HOLDINGS LIMITED

Report and Financial Statements

31 December 2020



3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

CONTENTS	Page
Officers and professional advisers	3
Strategic report	4
Directors' report	5
Statement of directors' responsibilities	6
Independent auditor's report	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes forming part of the financial statements	13 - 17

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Andrew Johnson

SECRETARY

Hendricus Tolmay

REGISTERED OFFICE

2nd Floor, West & South Wing
The Maylands Building 200, Maylands Avenue
Hemel Hempstead Industrial Estate
Hemel Hempstead
Hertfordshire
HP2 7TG

BANKER

HSBC
60 Queen Victoria Street
London
EC4N 4TR

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS

STRATEGIC REPORT

The directors present their strategic report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The company has two principal activities:

- holding of the investments of the European subsidiaries, and
- collection and distribution of management fees between the parent and the European subsidiaries.

REVIEW OF THE DEVELOPMENT, PERFORMANCE AND POSITION OF THE BUSINESS

The results for the year are in line with director expectations.

With expected stability in the trading subsidiaries complemented by healthy industry growth rates, the directors believe that the holding company will continue to function in the existing structure through 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

We are exposed to market risk from changes in interest rates, foreign currency exchange rates and commodity prices which may adversely affect our results of operations and financial condition. We seek to minimise these risks through regular operating activities as appropriate.

KEY PERFORMANCE INDICATORS

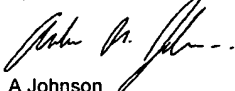
The business uses various KPIs to monitor the results of the business on an ongoing basis. Financial measures include Turnover, Gross Margin and Profit before tax, which are all line items disclosed on the face of the profit and loss account. Revenue has increased by 30% driven by extended headcount globalization which results in cross entity cost recharges, expenses have increased by 29% primarily in line with the corresponding revenue, as well as some foreign exchange pressure.

£'000	Revenue	Cost	GP Margin
2019	9,838	(9,651)	-0.2%
2020	9,836	(9,774)	0.6%
(Decrease)/Increase	(2)	123	
(Decrease)/Increase %	0%	-1%	

FUTURE PROSPECTS

The Holdings activity is determined by its continuation as the mechanism for management fee distribution. Its growth is therefore dependent on the growth of the wider 3D trading entities and any new acquisitions, along with an increase in the global and pan-European roles within these subsidiary companies.

Approved by the Board of Directors and signed on behalf of the Board



A Johnson
Date: 23 February 2022

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

DIRECTORS REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2020.

DIVIDENDS

The directors are not recommending a dividend (2019 : £NIL).

STRATEGIC REPORT

A review of the business, future developments and principal risks and uncertainties of the company are included within the Strategic Report on page 4.

POST BALANCE SHEET EVENTS

Sale of Subsidiary Investement 3D Systems France SARL (See Investment note 7 page 16)

GOING CONCERN

The accounts have been prepared on a Going Concern basis (see Note 1).

DIRECTORS

The directors who held office since 1 January 2020 were as follows:

A Johnson

D J Langfield (Resigned 29 February 2020)

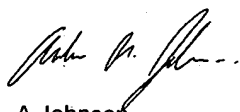
FINANCIAL INSTRUMENTS

Details of the financial risk management objectives and policies, and details of the use of financial instruments are set out in note 1 to the financial statements.

AUDITORS

All the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Approved by the Board of Directors and signed on behalf of the Board



A Johnson

Date: 23 February 2022

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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.

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 3D EUROPEAN HOLDINGS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 3D European Holdings Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach was as follows:

- We understood how the Company is complying with legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures;
- We assessed the judgements made by management when making key accounting estimates and judgements, and challenging management on the appropriateness of these judgements;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud. We made enquiries of management and those charged with governance to understand where it is considered there was a susceptibility of fraud and based on the knowledge gained we performed targeted journals entry testing identifying for example journals posted by senior management;

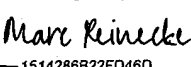
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:



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Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 23 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

3D EUROPEAN HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2020

	Notes	2020 £000's	2019 £000's
Operating Income		9,836	9,838
Administrative expenses			
- Impairment Expense	5	(14,977)	(4,043)
- Other expenses		(9,774)	(9,861)
		<u>(24,751)</u>	<u>(13,905)</u>
OPERATING PROFIT/(LOSS)	2	<u>(14,915)</u>	<u>(4,067)</u>
Interest receivable & similar	4	579	559
Interest payable & similar	4	(512)	(518)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(14,848)</u>	<u>(4,025)</u>
Taxation on profit on ordinary activities	6	(31)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		<u><u>(14,878)</u></u>	<u><u>(4,026)</u></u>

All amounts relate to continuing operations.

The notes on pages 13-17 form part of these financial statements.

3D EUROPEAN HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION
Year Ended 31 December 2020

Company number 2540492

	Notes	2020 £000's	2019 £000's
FIXED ASSETS			
Investments	7	67,421	82,398
		<u>67,421</u>	<u>82,398</u>
CURRENT ASSETS			
Debtors	8	13,942	10,236
Debtors due after 1 year		31,916	30,284
Cash in hand and at Bank		213	894
		<u>46,071</u>	<u>41,414</u>
CREDITORS: Amounts falling due within one year	9	(41,445)	(36,886)
		<u>(41,445)</u>	<u>(36,886)</u>
NET ASSETS		<u>72,047</u>	<u>86,926</u>
CAPITAL AND RESERVES	10		
Called up Share Capital		94,984	94,984
Profit and Loss Account		(22,937)	(8,058)
TOTAL SHAREHOLDERS' FUNDS		<u>72,047</u>	<u>86,926</u>

These financial statements were approved by the Board of Directors and authorised for issue on 23rd February 2022
Signed on behalf of the Board of Directors



A Johnson
Director

The notes on pages 13-17 form part of these financial statements.

3D EUROPEAN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2020

	Called-up share capital £000's	Profit and loss account £000's	Total £000's
At 1 January 2020	94,984	(8,058)	86,926
Total comprehensive Income for the year	-	(14,878)	(14,878)
At 31 December 2020	94,984	(22,937)	72,047

The notes on pages 13-17 form part of these financial statements.

1 ACCOUNTING POLICIES

3D European Holdings Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Officers and Professional Advisers page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Basis of Accounting

These financial statements are the first financial statements prepared under FRS 102. There are no financial changes on the transition to FRS 102.

Company Disclosure Exemptions

As its results are included in 3D Systems Corporation's consolidated financial statements, the company has taken advantage of the following disclosure exemptions available in FRS 102:

- The requirement to present a statement of cash balances and related notes;
- The requirement to disclose the company's financial instruments;
- The requirement to disclose aggregate remuneration of the key personnel of the company as their remuneration is included in the total for the group as a whole.

Operating Income

Operating income consists of management charges received from subsidiary companies, and is included on an accruals basis.

Foreign Currencies

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders this is when they are paid by the company. In the case of final dividends this is when approved by the shareholders.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Investments

Investments are held at the lower of cost or net realisable value. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year Ended 31 December 2020

Consolidation

The company has taken the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated accounts as it is a wholly-owned indirect subsidiary of 3D Systems Corporation. Copies of the consolidated accounts of 3D Systems Corporation are publicly available from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at www.sec.gov. These accounts therefore present the results of the company only.

Financial Instruments

The company holds or issues financial instruments to finance its operations and enters into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

Going Concern

The accounts have been prepared on a going concern basis after considering the forward cashflows of the business. The directors have prepared a 12 months cash flow from the date the accounts are signed. The company has received loans from the parent company which are due on demand. A letter of support has been provided by the parent company stating they will not demand repayments on the loans within twelve months from the date of signing the accounts.

Significant Accounting Estimates and Judgements

In determining the carrying amounts of investments and intercompany debtors, the company makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The companies estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgments in respect of measuring financial instruments.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2020

2 OPERATING PROFIT

	2020 £000's	2019 £000's
<u>Operating profit / (loss) is after charging:</u>		
Auditor's remuneration		
- Audit fees	10	10
- Loss on foreign exchange	301	214
Provision against Italian VAT receivable - exceptional	-	-
	<u>-</u>	<u>-</u>

3 EMPLOYEES AND DIRECTORS

The company had no employees in the current or prior year.
No director received any emoluments from the company in the current or prior year.

4 INTEREST AND SIMILAR

	2020 £000's	2019 £000's
Interest receivable from other group undertakings	579	559
Interest payable to other group undertakings	(512)	(518)
	<u>67</u>	<u>41</u>

5 GAIN/LOSS ON INVESTMENTS

	2020 £000's	2019 £000's
Gain/Loss on Investments	(14,977)	(4,043)
	<u>(14,977)</u>	<u>(4,043)</u>

During the course of 2020 we recorded an Impairment against intercompany Investment to 3D Systems Europe Ltd of £14,977k.

6 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2020 £000's	2019 £000's
UK Corporation tax	31	-
Total taxation charge	<u>31</u>	<u>-</u>

The tax assessed for the current year is reconciled to the results from applying the standard rate of corporation tax in the UK.

	2020 £000's	2019 £000's
Profit/ (Loss) on ordinary activities before tax	<u>(14,848)</u>	<u>(4,025)</u>
Tax at 19.00% (2019 : 19.00%)	25	765
Expenses not assessable for tax purposes	-	(768)
Adjustments in respect of prior year	-	-
Prior Period Adjustments	6	1
Group relief surrendered	-	2
Total current taxation charge	<u>31</u>	<u>-</u>

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2020

7 INVESTMENTS HELD AS FIXED ASSETS

Company	Shares at Cost £000's
Cost:	
At 1 January 2020	86,441
Additions	-
Disposal	-
At 31 December 2020	<u>86,441</u>
Provision for impairment	
At 1 January 2020	4,043
Additions	14,977
At 31 December 2020	<u>19,020</u>
Net Book Value:	
At 31 December 2020	<u>67,421</u>
At 31 December 2019	<u>82,398</u>

The company owns 100% of the issued ordinary share capital of each of the following companies which are incorporated in the countries as shown:

Name	Country of Incorporation
3D Systems France SARL	France
3D Systems GmbH	Germany
3D Systems Italia SRL	Italy
3D Systems Europe Limited	UK
3D Systems Benelux B.V.	Netherlands
LayrWise NV	Belgium

An impairment of £14,977k was recorded in 2020 (2019: £4,043k) driven by management's best estimate of recoverability against subsidiary investments.

Impairments are calculated based on the difference between the subsidiary's net assets and the investment holding value. The fair value of the subsidiary was determined through discounting expected future cash flows at a discount rate of 9%.

The investment in 3D Systems France SARL has a carrying value of £355k and was sold for €1,607k in December 2021 to a related entity and prior to the transfer a dividend of €20,700k was paid.

8 DEBTORS

	2020 £000's	2019 £000's
Amounts owed by parent undertaking	-	-
Amounts owed by other group undertakings < 1 Year	13,936	10,236
Amounts owed by other group undertakings > 1 Year	31,916	30,284
Other debtors	-	-
VAT Recoverable	6	-
	<u>45,858</u>	<u>40,520</u>

All amounts shown under debtors are due for payment within one year.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year Ended 31 December 2020

9 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £000's	2019 £000's
Trade creditors	-	-
Amounts owed to parent undertaking	-	-
Amounts owed to parent undertakings	33,609	30,626
Amounts owed to group undertakings	7,800	6,250
Corporation tax	-	-
Accruals and deferred income	8	(4)
Corporation tax	28	-
Trade Payables	-	15.00
	41,445	36,887

The intercompany loan interest is invoiced on a monthly or quarterly basis with an interest rate in the range of 1.76% to 2.80% during 2020.

10 CALLED UP SHARE CAPITAL

	2020 £000's	2019 £000's
Authorised:		
12,000,000 ordinary shares of £1 each	12,000	12,000
7,000,000 preference shares of £1 each	7,000	7,000
	19,000	19,000
Called up, allotted and fully paid:		
94,984,201 ordinary shares of £1 each	94,984	94,984
	94,984	94,984

The shares in issue give full voting, dividend and capital distribution rights.

11 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is 3D Systems Inc., a company incorporated in California, United States of America.

The ultimate parent and controlling party is 3D Systems Corporation, a public company incorporated in Delaware, United States of America. Copies of the 3D Systems Corporation consolidated financial statements may be obtained from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at www.sec.gov.

3D Systems Corporation and 3D Systems Inc. are the parent undertakings of respectively the largest and smallest groups to consolidate these financial statements.