

Company Registration No. 2540492

3D EUROPEAN HOLDINGS LIMITED

Report and Financial Statements

31 December 2018



3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

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

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Langfield
A Johnson

SECRETARY

D J Langfield

REGISTERED OFFICE

Mark House
Mark Road
Hemel Hempstead
Hertfordshire
HP2 7UA

BANKERS

Barclays Bank plc
PO Box 87
22-24 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3HJ

AUDITORS

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 2018.

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 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

We are exposed to market risk from changes in interest rates and 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.

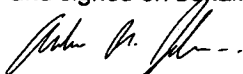
KEY PERFORMANCE INDICATORS

The business uses various KPI's 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 34% driven by extended headcount globalization which results in cross entity cost recharges, expenses have increased by 37% primarily in line with the corresponding revenue, as well as some foreign exchange pressure.

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: December 20, 2019

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 2018.

DIVIDENDS

The directors are not recommending a dividend (2017 : £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

There are no Post Balance Sheet Events

GOING CONCERN

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

DIRECTORS

The directors who held office since 1 January 2018 were as follows:

D J Langfield

A Johnson

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.

BDO LLP have agreed to be reappointed as the company's auditors.

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



A Johnson

Date: December 20, 2019

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.

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

Opinion

We have audited the financial statements of 3D European Holdings Limited ("the Company") for the year ended 31 December 2018 which comprise Statement of comprehensive income, Statement of financial position and Statement of changes in equity, and the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors' report, Notes forming part of the financial statements, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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 and 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 Statement of Directors Responsibilities, 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.

A further description of our responsibilities for the audit of the financial statements is located 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.



Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

20/12/2019

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 2018

	Note	2018 £000's	2017 £000's
Operating Income		7,584	5,640
Administrative expenses			
- Other expenses		(7,626)	(5,564)
		<u>(7,626)</u>	<u>(5,564)</u>
OPERATING PROFIT	2	<u>(42)</u>	<u>76</u>
Interest receivable & similar	4	574	539
Interest payable & similar	4	(520)	(488)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12</u>	<u>127</u>
Taxation on profit on ordinary activities	5	(26)	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		<u>(14)</u>	<u>127</u>

All amounts relate to continuing operations.

The notes on pages 12 to 15 form part of these financial statements.

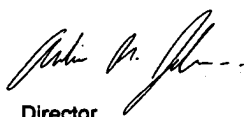
3D EUROPEAN HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 December 2018

Company number 2540492

	Note	2018 £000's	2017 £000's
FIXED ASSETS			
Investments	6	86,441	86,441
		<u>86,441</u>	<u>86,441</u>
CURRENT ASSETS			
Debtors	7	34,725	32,978
Cash in hand and at Bank		811	1,715
		<u>35,536</u>	<u>34,693</u>
CREDITORS: Amounts falling due within one year	8	(31,026)	(30,169)
		<u>(31,026)</u>	<u>(30,169)</u>
NET ASSETS		<u>90,951</u>	<u>90,965</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	94,984	94,984
Profit and Loss Account		(4,033)	(4,019)
TOTAL SHAREHOLDERS' FUNDS		<u>90,951</u>	<u>90,965</u>

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2019
Signed on behalf of the Board of Directors



Director

20.12.2019

The notes on pages 12 to 15 form part of these financial statements.

3D EUROPEAN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY as at 31 December 2018

	Called-up share capital £000's	Profit and loss account £000's	Total £000's
At 1 January 2018	94,984	(4,019)	90,965
Total comprehensive Income for the year	-	(14)	(14)
At 31 December 2018	94,984	(4,033)	90,951

The notes on pages 12 to 15 form part of these financial statements.

NOTES TO THE ACCOUNTS

Year Ended 31 December 2018

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.

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
- The requirement to disclose the company's financial instruments; and
- 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 a 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.

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 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.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2018

2 OPERATING PROFIT

	2018 £000's	2017 £000's
<u>Operating profit / (loss) is after charging:</u>		
Auditor's remuneration		
- Audit fees	9	6
- Gain on foreign exchange	(136)	(138)

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

	2018 £000's	2017 £000's
Interest receivable from other group undertakings	574	539
Interest payable to other group undertakings	(520)	(488)
	<u>54</u>	<u>51</u>

5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2018 £000's	2017 £000's
UK Corporation tax	26	-
Total taxation charge	<u>26</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.

Profit on ordinary activities before tax	<u>12</u>	<u>127</u>
Tax at 19.00% (2017 : 19.00%)	2	24
Prior Period Adjustments	24	-
Group relief surrendered		(24)
Total current taxation charge	<u>26</u>	<u>-</u>

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2018

6 INVESTMENTS HELD AS FIXED ASSETS

Company	Shares at Cost £000's
Cost:	
At 1 January 2018	86,441
Additions	-
At 31 December 2018	<u>86,441</u>
Provision for impairment	
At 1 January 2018	-
Additions	-
At 31 December 2018	<u>-</u>
Net Book Value:	
At 31 December 2018	<u>86,441</u>
At 31 December 2017	<u>86,441</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
LayerWise NV	Belgium

7 DEBTORS

	2018 £000's	2017 £000's
Amounts owed by parent undertaking	-	-
Amounts owed by other group undertakings	34,716	32,970
Other debtors	8	8
VAT Recoverable	-	-
	<u>34,725</u>	<u>32,978</u>

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

8 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000's	2017 £000's
Amounts owed to parent undertakings	28,229	28,823
Amounts owed to group undertakings	2,752	1,338
Accruals and deferred income	19	8
Corporation tax	26	-
Trade Payables	-	-
	<u>31,026</u>	<u>30,169</u>

The intercompany loan interest is invoiced on a monthly or quarterly basis with an interest rate in the range of 1.75% to 2.00% during 2018. The loans are repayable on demand.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2018

9 CALLED UP SHARE CAPITAL

	2018 £000's	2017 £000's
Called up, allotted and fully paid: 94,984,201 ordinary shares of £1 each	94,984	94,984
	<u>94,984</u>	<u>94,984</u>

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

10 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.