

Company Registration No. 4192467

**3D SYSTEMS EUROPE LIMITED**

**Report and Financial Statements**

**Year ended**

**31 December 2019**



**3D SYSTEMS EUROPE LIMITED  
REPORT AND FINANCIAL STATEMENTS**

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**3D SYSTEMS EUROPE LIMITED  
REPORT AND FINANCIAL STATEMENTS**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

A Johnson

**SECRETARY**

Hendricus Tolmay

**REGISTERED OFFICE**

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

**BANKERS**

HSBC  
60 Queen Victoria Street  
London  
EC4N 4TR

**AUDITORS**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

### **STRATEGIC REPORT**

The directors present their strategic report and the audited financial statements for the year ended 31 December 2019.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to market and service rapid 3-D printing, prototyping and manufacturing systems and related products and materials that enable complex three-dimensional objects to be produced directly from computer data without tooling, which greatly reduces the time and costs required to produce prototypes or customised production parts.

To satisfy our customers design-to-manufacturing requirements, we also provide custom manufacturing services via On Demand Manufacturing Services. Through our High Wycombe based facility we offer a broad range of precision parts capabilities.

#### **RESULTS FOR THE YEAR**

Revenue for the year was £19.3m compared with £19.9m in 2018 which represents a decrease of 3%. The decrease in revenue is primarily from a £0.73m decrease in systems sales, a £0.4m decrease in material sales and a £0.7m increase in revenue from services. The cost of sales is in line with expectations and the increase over the costs for 2019 is driven by revenue activity with gross margin staying consistent.

#### **REVIEW OF THE DEVELOPMENT, PERFORMANCE AND POSITION OF THE BUSINESS**

Within the expanding 3D-Printing industry our US based parent continues to be cognisant of the increased competition from other manufacturers. The company monitors new products entering the market and develops its product offering accordingly.

The global approach is to pursue a strategy that focuses on offering a comprehensive ecosystem that provides solutions aimed at healthcare, aerospace, automotive and durable goods verticals to address professional and industrial applications. We believe we are at an inflection point for 3D printing and a shift from prototyping to production is underway. We are focused on innovation to drive expansion into 3D production through improving durability, reliability, repeatability and total cost operation of 3D printing solutions.

Our continued investment in the development of new products have put pressure on our operating expenses, the company however have in this year experienced the benefits of this investment as demonstrated in our growth in revenue. The company plans to continue the onward trajectory to stimulate new growth opportunities.

With the refocused product offering, the potential of the new systems and materials recently brought to market and the known healthy industry growth rate the directors believe the company is well positioned to grow its business within future years while maintaining margin.

## REPORT AND FINANCIAL STATEMENTS

### STRATEGIC REPORT (continued)

#### 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.

Where possible the company minimises its exposure to credit related losses. The company has implemented procedures that require appropriate credit checks on customers before sales commence.

We expect that future competition may arise from the development of allied or related techniques for equipment and materials that are not encompassed by our group companies patents. Some of our parent company patents have expired and others will expire in the coming years. Upon expiration we may see incremental competition as competitors introduce products using technology that was previously protected by the expired patents. Our parent will continue to follow a strategy of continuing product development to enhance our position to the extent practical.

We have historically made, strategic acquisitions that involved significant risks and uncertainties. We may not realise the anticipated benefits of these and the integration of these acquisitions may disrupt our business and divert management attention. To minimise ongoing risk all acquisitions are subject to 3D Systems internal controls and procedures with immediate effect.

#### 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.

£'000	Revenue	Cost	GP Margin
2018	19,876	(-15,204)	24%
2019	19,328	(-13,020)	33%
Increase/(Decrease)	(-548)	(-2,184)	
Increase/(Decrease) %	-3%	-14%	

#### FUTURE PROSPECTS

We are pursuing a growth strategy that focuses on the following industries

- Healthcare
- Aerospace
- Automotive
- Durable Goods
- Industrial Manufacturing

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



A M Johnson

Date:

6th May 2021

## **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

### **DIRECTORS REPORT**

The directors submit their report and the audited financial statements for the year ended 31 December 2019.

### **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.

### **DIRECTORS**

The directors who held office since 1 January 2019 were as follows:  
A Johnson

### **DIVIDENDS**

The directors are not recommending a dividend (2018 : £Nil)

### **POST BALANCE SHEET EVENTS**

There are no Post Balance Sheet Events to report.

### **GOING CONCERN**

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

### **PEOPLE WITH DISABILITIES**

The company employs people regardless of disability.

The company makes every effort to make the working environment one which includes the needs of disabled people.

### **DIRECTORS INDEMNITIES**

3D Systems Europe Limited has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. The ultimate parent maintains and anticipates to continue maintaining directors and officers insurance for the aforementioned directors in an amount equal to \$100m. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors Report.

### **EMPLOYEE INVOLVEMENT**

Employees are kept up to date with developments in the company through regular group wide announcements and group briefings. There are regular forums to discuss company issues.

**3D SYSTEMS EUROPE LIMITED  
REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS REPORT (continued)**

**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 M Johnson

Date: 6th May 2021

## **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the strategic report, 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 THE MEMBER OF 3D SYSTEMS EUROPE LIMITED**

### **Opinion**

We have audited the financial statements of 3D Systems Europe Limited ("the Company") for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

### **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 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.

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.

## **3D Systems Europe Limited**

### **Independent auditor's report (continued)**

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#### **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 Director's 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.

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

## **3D Systems Europe Limited**

### **Independent auditor's report**

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#### **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

7 May 2021

**3D SYSTEMS EUROPE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**Year Ended 31 December 2019**

	Note	2019 £000's	2018 £000's
<b>TURNOVER</b>	2	<b>19,328</b>	<b>19,875</b>
Cost of sales		(13,020)	(15,204)
<b>GROSS PROFIT</b>		<b>6,308</b>	<b>4,670</b>
Selling expenses		(2,019)	(1,830)
Other income	2	6,144	4,352
Administrative expenses		(8,095)	(6,647)
<b>OPERATING PROFIT /(LOSS)</b>	3	<b>2,338</b>	<b>546</b>
Interest receivable & similar income	6	350	320
Interest payable and similar charges	7	-	-
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,688</b>	<b>866</b>
Taxation (charge) /credit on ordinary activities	8	(474)	(44)
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<b>2,214</b>	<b>821</b>

All amounts relate to continuing operations.

The profit for the year represents the movement in shareholders' funds.

The notes on pages 15 to 24 form part of these financial statements.


# 3D SYSTEMS EUROPE LIMITED

## STATEMENT OF FINANCIAL POSITION as at 31 December 2019

Company number 4192467

	Note	2019 £000's	2018 £000's
<b>FIXED ASSETS</b>			
Tangible Assets	9	1,102	2,460
Intangible Fixed Assets	10	(0)	200
Investment	11	-	-
		<u>1,101</u>	<u>2,660</u>
<b>CURRENT ASSETS</b>			
Stock	12	321	230
Debtors due within one year	13	10,092	9,823
Debtors due more than one year	13	17,912	18,678
Cash in hand and at Bank		3,339	3,103
		<u>31,664</u>	<u>31,834</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(10,503)</u>	<u>(15,091)</u>
<b>NET CURRENT ASSETS</b>		<u>21,161</u>	<u>16,742</u>
<b>CREDITORS: Amounts falling due more than one year</b>	14	<u>(60)</u>	<u>(95)</u>
<b>NET ASSETS</b>		<u>22,202</u>	<u>19,308</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	57,578	57,578
Share option reserve		3,145	2,465
Profit and Loss account		(38,521)	(40,734)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>22,202</u>	<u>19,308</u>

These financial statements were approved by the Board of Directors and authorised for issue on 06 May 2021  
Signed on behalf of the Board of Directors



Andrew M Johnson  
Director

The notes on pages 15 to 24 form part of these financial statements.

# 3D SYSTEMS EUROPE LIMITED

## STATEMENT OF CHANGES IN EQUITY as at 31 December 2019

	Called-up share capital £000's	Share option reserve £000's	Profit and loss account £000's	Total £000's
<b>At 31 December 2017</b>	<b>57,578</b>	<b>1,919</b>	<b>(41,555)</b>	<b>17,941</b>
Total comprehensive profit for the year	-	-	821	821
Credit in respect of share-based payment	-	546	-	546
<b>At 31 December 2018</b>	<b>57,578</b>	<b>2,465</b>	<b>(40,734)</b>	<b>19,309</b>
Total comprehensive profit for the year	-	-	2,214	2,214
Credit in respect of share-based payment	-	680	-	680
<b>At 31 December 2019</b>	<b>57,578</b>	<b>3,145</b>	<b>(38,521)</b>	<b>22,202</b>

The notes on pages 15 to 24 form part of these financial statements.

Date: 5th May 2021

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2019

#### 1 ACCOUNTING POLICIES

3D Systems Europe Limited is a private company incorporated in England & Wales under the Companies Act, limited by shares. The address of the registered office is given on the contents 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Companies management to exercise judgement in applying the Companies accounting policies.

##### 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; and
- The requirement to disclose aggregate remuneration of the key personnel of the company as their remuneration is included in the total

##### Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The estimated useful lives for the main categories of tangible fixed assets are:

	Years
Improvements to Leasehold Buildings	4
Plant & Equipment	4-5

##### 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.

##### Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

##### Other Intangible Assets

Intangible assets other than goodwill represent acquired intangible assets including trade names, customer relationships and non-compete agreements. These intangible assets are amortised using the straight-line method over their useful life, which is determined by identifying the period over which most of the cash flows are expected to be generated.

	Years
Trade Names and Customer Relationships	4
Non-Compete Agreements	2

##### Basis of Consolidation

The company has taken the exemption conferred by Section 401 of the Companies Act 2008 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](http://www.sec.gov). These accounts therefore present the results of the company only.

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2019

#### 1 ACCOUNTING POLICIES (continued)

##### Foreign Currencies

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

##### Financial Assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### Financial Liabilities and Equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

##### Operating Leases

The rental charges of operating leases are charged to the profit and loss account on a straight line basis over the life of the leases.

##### Finance Leases

Where the Group is required to account as though it were acting as a lessor in a finance lease, receivables disclosed under finance leases represent outstanding amounts due under notional finance lease arrangements less notional finance charges allocated to future periods. Notional finance lease interest is recognised over the primary period of the lease so as to produce a constant rate of return on the net cash investment.

##### Government Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in 'other income' within profit or loss in the same period as the related expenditure.

The group has not directly benefited from any other forms of government assistance.

##### Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes all direct expenditure. Where necessary, provision is made for obsolete, slow moving or defective stocks.

##### Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of the goods and services supplied. Revenue on maintenance contracts is taken to the profit and loss account on a monthly basis across the life of the contract.

##### Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more 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.

##### Pension Costs

The company contributes to certain employees' private pension schemes. The amount charged to the profit and loss represents the contributions payable in respect of the financial year.

##### Holiday Pay Accrual

No adjustment has been made for a holiday pay accrual as the company policy is that all holiday must be used by the end of the year and any unused holiday cannot be carried forward to a future year.

##### Dividends

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



## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS

Year Ended 31 December 2019

#### 1 ACCOUNTING POLICIES (continued)

##### Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share option reserves represents the value of 3D Systems Inc. shares held for the purpose of long-term incentive schemes for employees.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### Share-based payments

Where share-based awards are granted to employees, the fair value of the awards at the date of grant are charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that eventually vest.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

##### 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.

##### Significant Accounting Estimates and Judgements

In determining the carrying amounts of certain assets and liabilities, 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 SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2019

#### 2 ANALYSIS OF TURNOVER

	2019 £000's	2018 £000's
The invoiced value (net of sales taxes) of the goods and services arising from the principal activity of the company can be attributable to the company's different geographical as follows:		
United Kingdom and Ireland	19,328	19,757
Overseas	0	118
	<b>19,328</b>	<b>19,875</b>

	2019 £000's	2018 £000's
Comparison of revenue by class:		
Products	2,829	3,678
Materials	7,100	7,477
Services	9,269	8,633
Grant Income	130	87
	<b>19,328</b>	<b>19,875</b>

The Company earn revenues from the sales of products, materials and services. The products category includes 3D printers, software, 3D scanners and haptic devices. The materials category includes a wide range of print materials to be used with our 3D printers, the majority of which are proprietary. The services category includes warranty and maintenance on 3D printers, software maintenance and on demand solutions.

Other operating income of £6,144k relates to Management Charges to other group companies.

#### 3 OPERATING PROFIT/LOSS

	2019 £000's	2018 £000's
Operating loss is after charging/(crediting):		
Depreciation	880	940
Impairment of Investments	-	0
Amortisation of intangible assets, including goodwill	200	199
Auditor's remuneration		
- audit fees	61	40
- taxation compliance services	8	8
Operating lease rentals		
- land & buildings	564	583
- other assets	5	5
Loss on foreign exchange	634	67
Share based payments	680	546
Loss on disposal of Gentle Giant	548	0

No additional Audit fees have been borne in 2019 (2018: £26,837) relating to other services provided by the parent company auditors, 3D Systems Corporation.

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2019

### 4 EMPLOYEES

The average number of employees employed by the company within each category of persons was:

	2019 No.	2018 No.
Sales and marketing	16	15
Service and technical	21	26
Administration staff	65	58
Production	28	26
	<b>130</b>	<b>125</b>

The costs incurred in respect of these employees were:

	2019 £000's	2018 £000's
Wages and salaries	5,673	5,353
Social security costs	797	658
Pension costs - defined contribution scheme	375	339
Commissions and bonuses	374	197
Other benefits	326	271
	<b>7,545</b>	<b>6,818</b>

### 5 DIRECTORS

	2019 £000's	2018 £000's
Emoluments of directors of the company included in staff costs were as follows:		
Aggregate emoluments	84	138
Company contributions to money purchase schemes	-	9
Share based payments	10	22
	<b>94</b>	<b>169</b>

### 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000's	2018 £000's
Interest receivable from other group companies	337	308
Other interest	13	12
	<b>350</b>	<b>320</b>

### 7 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £000's	2018 £000's
Interest payable to parent company	-	-
Other interest payable	-	-
	<b>-</b>	<b>-</b>

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2019

### 8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2019 £000's	2018 £000's
UK Corporation taxation	(474)	(44)
Total current taxation	(474)	(44)
Deferred taxation (note 15)	-	0
Total taxation charge	(474)	(44)

The tax assessed for the current year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Total comprehensive Profit / (loss) for the year	2,688	865
Tax at 19% (2019 - 19%)	(512)	(164)
Expenses not deductible for tax purposes	-	-
Permanent differences	-	-
Other tax adjustments, reliefs and transfers	266	161
Group relief	(38)	-
Depreciation in excess of capital allowances	(182)	(83)
Unrelieved tax losses	-	61
Under Provision of Prior year taxes	(8)	(9)
Income not assessable for tax purposes	-	-
Deferred Tax Asset Released	-	-
Total current taxation	(474)	(44)

### 9 TANGIBLE FIXED ASSETS

	Improvements to Leasehold Buildings £000's	Plant & Equipment £000's	Total £000's
<b>Cost</b>			
At 1 January 2019	96	5,516	5,612
Additions	0	380	380
Disposals	0	(1,353)	(1,353)
At 31 December 2019	96	4,543	4,639
<b>Accumulated depreciation</b>			
At 1 January 2019	95	3,058	3,153
Charge for the year	1	855	856
Disposals	0	(472)	(472)
At 31 December 2019	96	3,441	3,537
<b>Net Book Value</b>			
At 31 December 2019	(0)	1,102	1,102
At 31 December 2018	1	2,458	2,460

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2019

### 10 INTANGIBLE FIXED ASSETS

	Goodwill arising on acquisition £000's	Trade names & customer relationships £000's	Non-compete agreements £000's	Total Intangibles £000's
<b>Cost or valuation</b>				
At 1 January 2019	998	-	-	998
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2019	998	-	-	998
<b>Amortisation</b>				
At 1 January 2019	798	-	-	798
Amortisation provided in the year	200	-	-	200
Disposals	-	-	-	-
At 31 December 2019	998	-	-	998
<b>Net book value</b>				
At 31 December 2019	(0)	-	-	(0)
At 31 December 2018	200	-	-	200

### 11 INVESTMENT IN SUBSIDIARY UNDERTAKING

	2019 £000's
<b>Cost</b>	
At 1 January 2019	-
Write Off Impairment charge	-
At 31 December 2019	-

All subsidiary investments are fully impaired.

### 12 STOCKS

	2019 £000's	2018 £000's
Stocks held for resale and servicing of customer machines	321	230
	321	230

In the opinion of the directors the replacement cost of stock is not materially different to the amount at which it is stated in the accounts.

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2019

### 13 DEBTORS

	2019 £000's	2018 £000's
Debtors due within one year:		
Trade debtors	2,799	3,533
Amounts owed by other group undertakings	6,791	5,746
Other debtors	108	206
Prepayments and accrued income	394	338
Corporation tax debtor	-	-
	<b>10,092</b>	<b>9,823</b>

	2019 £000's	2018 £000's
Debtors due more than one year:		
Amounts owed by other group undertakings	17,912	18,678
Deferred Tax	0	-
	<b>17,912</b>	<b>18,678</b>

### 14 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR.

	2019 £000's	2018 £000's
Trade creditors	268	250
Amounts owed to parent undertaking	5,928	7,781
Amounts owed to other group undertakings	2,195	4,848
Other taxation and social security	684	39
Accruals and deferred income	1,428	2,174
Other creditors	-	-
	<b>10,503</b>	<b>15,091</b>

### CREDITORS : AMOUNTS FALLING DUE MORE THAN ONE YEAR

	2019 £000's	2018 £000's
Other creditors - 1-2 years	60	95
Intercompany loan - at least 1 year	-	-
Deferred Tax	-	-
	<b>60</b>	<b>95</b>

### 3D SYSTEMS EUROPE LIMITED

#### NOTES TO THE ACCOUNTS Year Ended 31 December 2019

##### 15 DEFERRED TAXATION

£000's

At 1 January 2019  
Charge to the profit and loss account  
  
At 31 December 2019 (note 13)

	2019 £000's	2018 £000's
Tax effect of timing differences because of:		
Fixed asset timing differences	-	-
Short term timing differences	-	-
Losses and other deductions	-	-
Effect of change of tax rate on opening balances	-	-
	-	-

Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The company has excess non-trading loan relationship deficits of approximately £ 4,887,738 (2018: £6,003,645) to be carried forward.

##### 16 CALLED UP SHARE CAPITAL

	2019 £	2018 £
Called up, allotted and fully paid:		
1 ordinary share of £1 each	1	1
Additional Shares issued following capitalisation of loan with parent undertaking 57,577,647 ordinary share of £1 each	57,577,647	57,577,647
	<u>57,577,648</u>	<u>57,577,648</u>

##### 17 LEASE COMMITMENTS

At 31 December 2019 the company had total commitments under non-cancellable operating leases as set out below:

	2019 Land and Buildings £000's	2019 Other £000's	2018 Land and Buildings £000's	2018 Other £000's
Not later than one year	169	10	374	13
Later than one year and not later than five years	2,224	13	1,188	4
Later than 5 years	2,355	0	718	-
	<u>4,748</u>	<u>23</u>	<u>2,280</u>	<u>17</u>

##### 18 ULTIMATE CONTROLLING PARTY

At December 2019 the immediate parent undertaking is 3D European Holdings Limited, a company incorporated in England and Wales.

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](http://www.sec.gov).

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

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2019

#### 19 SHARE BASED PAYMENTS

The company participates in 3D Systems Corporation's Stock Incentive Plans under which certain employees are provided with equity-settled share-based payments in the form of share awards.

##### Share awards

Share awards are granted to certain UK employees. Awards granted prior to 19 May 2015 will generally vest at the end of three years provided the awardee remains an employee of 3D Systems. Those awards granted after 19 May 2015 will vest one third each year for three years provided the awardee remains an employee of 3D Systems. The fair value of share awards is based on the number of shares granted and 3D Systems Corporation's quoted share price at the date of grant less the amount paid by the recipient. The expense is recognised, net of estimated forfeitures, over the vesting period of the awards on a straight-line basis. The expense taken to the profit and loss account for 2019 was £680,187 (2018: £545,965).

Details of the share awards outstanding during the year are as follows:

	2019 Number of share awards	2019 Weighted average fair value (£)	2018 Number of share awards	2018 Weighted average fair value (£)
Outstanding at 1 January 2019	92,068	11.14	103,345	8.12
Vested	<u>(45,095)</u>	10.68	<u>(56,063)</u>	8.15
	46,973		47,282	
Granted	100,370	0.00	50,950	13.75
Forfeited	<u>(13,128)</u>	(9.41)	<u>(6,164.00)</u>	(9.07)
Outstanding at 31 December 2019	<u>134,215</u>	7.79	<u>92,068</u>	11.14

In 2019 awards were granted on 15 May with a total fair value of \$838,844 (£623,689) (2018 \$880,592 (£695,076)).

The weighted average of the remaining contractual life of the share based payments at the end of 2019 is 1.09 years (2018 was 1.32 years).

#### 20 Related Party relationships and transactions

The company has taken advantage of the exemption available under FRS 102 'Related party disclosures' whereby it has not disclosed transactions with ultimate parent company or any wholly owned subsidiary undertaking or group.