UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2021

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

c/o Stratasys, Inc. **9600 West 76th Street** **Eden Prairie, Minnesota 55344**	**1 Holtzman Street, Science Park** **P.O. Box 2496** **Rehovot, Israel 76124**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

The contents of this Report of Foreign Private Issuer on Form 6-K, or this Form 6-K, including Exhibits 99.1, 99.2 and 101 annexed hereto, are incorporated by reference into the Registrant's registration statements on Form F-3, SEC file numbers 333-251938 and 333-253780, filed by the Registrant with the SEC on January 7, 2021 and March 2, 2021, respectively, and Form S-8, SEC file numbers 333-190963, 333-236880 and 333-253694, filed by the Registrant with the SEC on September 3, 2013, March 4, 2020, and March 1, 2021, respectively, and shall be a part thereof from the date on which this Form 6-K is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

CONTENTS

Quarterly Financial Statements and Review of Results and Prospects

On November 4, 2021, Stratasys Ltd., or Stratasys, released its financial results for the three and nine months ended September 30, 2021.

Attached hereto as Exhibit 99.1 are the unaudited, condensed consolidated financial statements of Stratasys for the three and nine months ended September 30, 2021 (including the notes thereto), or the Q3 2021 Financial Statements

Attached hereto as Exhibit 99.2 is Stratasys' review of its results of operations and financial condition for the three and nine months ended September 30, 2021, including the following:

- (i) Operating and Financial Review and Prospects
- (ii) Quantitative and Qualitative Disclosures About Market Risk
- (iii) Legal Proceedings
- (iv) Risk Factors

Attached hereto as Exhibit 101 are the Q3 2021 Financial Statements, formatted in IXBRL (eXtensible Business Reporting Language), consisting of the following sub-exhibits:

Exhibit Number	**Document Description**
EX-101.INS	IXBRL Taxonomy Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
EX-101.SCH	IXBRL Taxonomy Extension Schema Document
EX-101.CAL	IXBRL Taxonomy Calculation Linkbase Document
EX-101.DEF	IXBRL Taxonomy Extension Definition Linkbase Document
EX-101.LAB	IXBRL Taxonomy Label Linkbase Document
EX-101.PRE	IXBRL Taxonomy Presentation Linkbase Document
EX-104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 4, 2021	**STRATASYS LTD.**	
	By:	/s/ Lilach Payorski
	Name:	Lilach Payorski
	Title:	Chief Financial Officer

Exhibit 99.1

STRATASYS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2021

(UNAUDITED)

INDEX TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021
(UNAUDITED)

STRATASYS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 332,871	$ 272,092
Short-term deposits	187,000	27,000
Accounts receivable, net of allowance for credit losses of $0.7 million and $0.9 million as of September 30, 2021 and December 31, 2020	121,848	106,068
Inventories	119,925	131,672
Prepaid expenses	8,634	6,717
Other current assets	27,317	16,943
Total current assets	797,595	560,492
Non-current assets		
Property, plant and equipment, net	199,668	201,232
Goodwill	39,750	35,694
Other intangible assets, net	117,010	131,569
Operating lease right-of-use assets	15,624	21,298
Other non-current assets	58,365	39,717
Total non-current assets	430,417	429,510
Total assets	$ 1,228,012	$ 990,002
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 48,292	$ 16,987
Accrued expenses and other current liabilities	30,875	31,061
Accrued compensation and related benefits	36,983	25,659
Deferred revenues - short term	49,104	49,165
Operating lease liabilities - short term	7,514	9,282
Total current liabilities	172,768	132,154
Non-current liabilities		
Deferred revenues - long term	17,980	14,227
Operating lease liabilities - long term	8,353	12,567
Contingent consideration	40,589	37,400
Other non-current liabilities	37,869	34,059
Total non-current liabilities	104,791	98,253
Total liabilities	$ 277,559	$ 230,407
Contingencies (see note 12)		
Redeemable non-controlling interests	-	227
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousand shares; 65,467 thousand shares and 56,617 thousand shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	182	155
Additional paid-in capital	3,001,685	2,753,955
Accumulated other comprehensive loss	(8,372)	(8,846)
Accumulated deficit	(2,043,042)	(1,985,896)

Total equity	950,453	759,368
Total liabilities and equity	$ 1,228,012	$ 990,002

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRATASYS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
Consolidated Statements of Operations and Comprehensive Loss

in thousands, except per share data	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues				
Products	$ 108,888	$ 83,548	$ 299,517	$ 240,597
Services	50,121	44,344	140,686	137,825
	159,009	127,892	440,203	378,422
Cost of revenues				
Products	54,820	47,339	151,471	126,556
Services	36,001	30,784	101,697	98,491
	90,821	78,123	253,168	225,047
Gross profit	68,188	49,769	187,035	153,375
Operating expenses				
Research and development, net	22,645	19,562	65,683	65,059
Selling, general and administrative	67,462	48,343	184,353	155,630
Goodwill impairment	-	386,154	-	386,154
	90,107	454,059	250,036	606,843
Operating loss	(21,919)	(404,290)	(63,001)	(453,468)
Financial expenses, net	(634)	(167)	(1,383)	(847)
Loss before income taxes	(22,553)	(404,457)	(64,384)	(454,315)
Income tax benefit	699	343	6,009	2,250
Share in profit (loss) of associated companies	3,778	(952)	1,229	(2,740)
Net loss	$ (18,076)	$ (405,066)	$ (57,146)	$ (454,805)
Net loss attributable to non-controlling interests	-	(4)	-	(54)
Net loss attributable to Stratasys Ltd.	$ (18,076)	$ (405,062)	$ (57,146)	$ (454,751)
Net loss per ordinary share attributable to Stratasys Ltd. - basic and diluted	$ (0.28)	$ (7.35)	$ (0.91)	$ (8.29)
Weighted average ordinary shares outstanding. - basic and diluted	65,018	55,086	62,888	54,851
Comprehensive loss				
Net loss	(18,076)	(405,066)	(57,146)	(454,805)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(2,247)	1,056	(2,105)	(611)
Unrealized gains (losses) on derivatives designated as cash flow hedges	578	(1,851)	2,579	(962)
Other comprehensive income (loss), net of tax	(1,669)	(795)	474	(1,573)
Comprehensive loss	(19,745)	(405,861)	(56,672)	(456,378)
Less: comprehensive loss attributable to non-controlling interests	-	(4)	-	(54)
Comprehensive loss attributable to Stratasys Ltd.	$ (19,745)	$ (405,857)	$ (56,672)	$ (456,324)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRATASYS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
Consolidated Statements of Changes in Equity
(in thousands)
Three and Nine Months Ended September 30, 2021 and 2020

	Ordinary Shares Number of shares	Ordinary Shares Par Value	Additional Paid-In Capital	Accumulated deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2020	56,617	155	2,753,955	(1,985,896)	(8,846)	759,368
Issuance of shares in connection with stock-based compensation plans	670	2	2,881	-	-	2,883

Stock-based compensation	-	-	7,205	-	-	7,205
Public offering of ordinary shares, net	7,931	24	218,851	-	-	218,875
Deferred tax assets in connection with public offering expenses	-	-	1,156	-	-	1,156
Comprehensive income (loss)	-	-	-	(18,911)	1,212	(17,699)
Balance as of March 31, 2021	65,218	$ 181	$ 2,984,048	$ (2,004,807)	$ (7,634)	$ 971,788
Issuance of shares in connection with stock-based compensation plans	178	*	633	-	-	633
Stock-based compensation	-	-	7,977	-	-	7,977
Deferred tax assets in connection with public offering expenses	-	-	175	-	-	175
Comprehensive income (loss)	-	-	-	(20,159)	931	(19,228)
Balance as of June 30, 2021	65,396	$ 181	$ 2,992,833	$ (2,024,966)	$ (6,703)	$ 961,345
Issuance of shares in connection with stock-based compensation plans	71	1	692	-	-	693
Stock-based compensation	-	-	7,958	-	-	7,958
Expenses in connection with March 2021 public offering	-	-	(25)	-	-	(25)
Reduction of redeemable non-controlling interest	-	-	227	-	-	227
Comprehensive loss	-	-	-	(18,076)	(1,669)	(19,745)
Balance as of September 30, 2021	65,467	$ 182	$ 3,001,685	$ (2,043,042)	$ (8,372)	$ 950,453

STRATASYS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
Consolidated Statements of Changes in Equity
(in thousands)
Three and Nine Months Ended September 30, 2021 and 2020

	Ordinary Shares		Additional Paid-In Capital	Accumulated deficit	Accumulated Other Comprehensive Loss	Total Equity
	Number of shares	Par Value				
Balance as of December 31, 2019	54,441	148	2,706,894	(1,542,175)	(7,716)	1,157,151
Issuance of shares in connection with stock-based compensation plans	358	1	29	-	-	30
Stock-based compensation	-	-	4,907	-	-	4,907
Comprehensive loss	-	-	-	(21,703)	(1,132)	(22,835)
Balance as of March 31, 2020	54,799	$ 149	$ 2,711,830	$ (1,563,878)	$ (8,848)	$ 1,139,253
Issuance of shares in connection with stock-based compensation plans	231	1	22	-	-	23
Stock-based compensation	-	-	6,111	-	-	6,111
Comprehensive income (loss)	-	-	-	(27,986)	354	(27,632)
Balance as of June 30, 2020	55,030	$ 150	$ 2,717,963	$ (1,591,864)	(8,494)	$ 1,117,755
Issuance of shares in connection with stock-based compensation plans	82	*	-	-	-	*
Stock-based compensation	-	-	4,876	-	-	4,876
Comprehensive loss	-	-	-	(405,062)	(795)	(405,857)
Balance as of September 30, 2020	55,112	$ 150	$ 2,722,839	$ (1,996,926)	$ (9,289)	$ 716,774

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRATASYS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
Consolidated Statements of Cash Flows

	Nine Months Ended September 30,	
in thousands	**2021**	**2020**

Cash flows from operating activities				
Net loss	$	(57,146)	$	(454,805)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Goodwill impairment		-		386,154
Impairment of other long-lived assets		1,944		5,557
Depreciation and amortization		41,412		37,428
Stock-based compensation		23,140		15,894
Foreign currency transaction loss		4,210		(2,565)
Deferred income taxes		(9,054)		(1,541)
Share in loss (profit) of associated companies		(1,173)		2,740
Revaluation of investments		556		-
Other non-cash items, net		364		37
Change in cash attributable to changes in operating assets and liabilities:				
Accounts receivable, net		(17,023)		29,563
Inventories		8,271		15,167
Other current assets and prepaid expenses		(11,911)		5,805
Other non-current assets		3,834		2,681
Accounts payable		29,204		(17,579)
Other current liabilities		14,047		(8,430)
Deferred revenues		3,470		(8,070)
Other non-current liabilities		(2,749)		(3,932)
Net cash provided by operating activities		31,396		4,104
Cash flows from investing activities				
Cash paid for acquisitions, net of cash acquired		(6,669)		-
Purchase of property and equipment		(16,193)		(19,912)
Investments in short-term bank deposits		(249,000)		(27,000)
Investments in unconsolidated entities		(7,000)		-
Proceeds from maturity of short-term bank deposits		89,000		-
Proceeds from sale of equity method investment		-		3,175
Net proceeds from divestitures of subsidiaries and associated companies		-		1,000
Purchase of intangible assets		(1,219)		(1,598)
Other investing activities		(85)		89
Net cash used in investing activities		(191,166)		(44,246)
Cash flows from financing activities				
Proceeds from public offering, net of issuance costs		218,850		-
Proceeds from exercise of stock options		3,699		53
Other financing activities		406		-
Net cash provided by financing activities		222,955		53
Effect of exchange rate changes on cash, cash equivalents and restricted cash		(2,413)		(484)
Net change in cash, cash equivalents and restricted cash		60,772		(40,573)
Cash, cash equivalents and restricted cash, beginning of period		272,216		293,597
Cash, cash equivalents and restricted cash, end of period	$	332,988	$	253,024
Supplemental disclosures of cash flow information:				
Transfer of inventory to fixed assets		2,760		2,445
Transfer of fixed assets to inventory		844		281

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STRATASYS LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Note 1. Business Description and Basis of Presentation

Stratasys Ltd. (collectively with its subsidiaries, the "Company" or "Stratasys") is a global leader in connected, polymer-based 3D printing solutions, across the entire manufacturing value chain. The Company leverages its competitive advantages, which include a broad set of best-in-class 3D printing platforms, software, a materials and technology partner ecosystem, innovative leadership, and global GTM infrastructure, in order to position itself to capture share in a significant and growing global marketplace, with a focus on manufacturing. The Company's approximately 1,600 granted and pending additive technology patents to date have been used to create models, prototypes, manufacturing tools, and production parts for a multitude of industries including aerospace, automotive, transportation, healthcare, consumer products, dental, medical, and education. Stratasys' products and comprehensive solutions improve product quality, development time, cost, and time-to-market. The Company's 3D ecosystem of solutions and expertise includes 3D printers, materials, software, expert services, and on-demand parts production.

The condensed consolidated interim financial information herein is unaudited; however, such information reflects all adjustments (consisting of normal, recurring adjustments), which are, in the opinion of management, necessary for a fair statement of results for the interim period. The condensed consolidated interim financial statements include the accounts of Stratasys Ltd. and its subsidiaries. All intercompany accounts and transactions, including profits from intercompany sales not yet realized outside the Company, have been eliminated in consolidation.

The Company's financial statements are prepared in conformity with U.S. generally accepted accounting principles ("GAAP"), which requires the Company to make estimates based on assumptions about current and, for some estimates, future economic and market conditions which affect reported amounts and related disclosures in its financial statements. Although the Company current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from the Company expectations, which could materially affect its results of operations and financial position.

In particular, a number of estimates have been and will continue to be affected by the ongoing COVID-19 pandemic. The severity, magnitude and duration of, and recovery from, as well as the economic consequences of, the COVID-19 pandemic, remain uncertain, rapidly changing and difficult to predict. As a result, the accounting estimates and assumptions may change over time in response to COVID-19. Such changes could have an additional impact on the Company's long-lived asset and intangible asset valuation; inventory valuation; assessment of the annual effective tax rate; and the allowance for expected credit losses and bad debt.

The results of operations for the three and nine months ended September 30, 2021 are not indicative of results that could be expected for the entire fiscal year. Certain financial information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The reader is referred to the audited consolidated financial statements and notes thereto for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission (the "SEC") as part of the Company's Annual Report on Form 20-F for such year on March 1, 2021.

Note 2. New Accounting Pronouncements

Accounting Pronouncements Adopted in 2021

In December 2019, the FASB issued new guidance to simplify the accounting for income taxes by removing certain exceptions to the general principles and simplification of areas such as franchise taxes, step-up in tax basis goodwill, separate entity financial statements and interim recognition of enactment of tax laws or rate changes The guidance will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company adopted this guidance effective January 1, 2021, with no material impact on its consolidated financial statements.

Note 3. Certain Transactions

Origin acquisition

On December 31, 2020 (the "Origin transaction date") the Company acquired 3D printing start-up Origin Laboratories Inc. ("Origin") for an aggregate purchase price of $97.1 million (the "Origin transaction"), including cash and shares. The acquisition enables Stratasys to expand its leadership through innovation in the fast-growing mass production parts market with a next-generation photopolymer platform. Stratasys expects Origin's proprietary Programmable PhotoPolymerization (P3) technology to be an important growth engine for the Company. The acquisition was aimed at fortifying the Company's leadership in polymers and production applications of 3D printing in industries such as dental, medical, tooling, and select industrial, defense, and consumer goods markets.

In exchange for 100% of the outstanding shares of Origin the Company issued 1,488 thousand ordinary shares, paid cash upon closing, and is obligated to pay additional payments (combination of cash and shares) subject to performance-based earn-outs over 3 years.

The Origin transaction is reflected in accordance with ASC Topic 805, "Business Combinations", using the acquisition method of accounting with the Company as the acquirer.

The following table summarizes the fair value of the consideration transferred to Origin stockholders for the Origin transaction:

		U.S. $ in thousands
Cash payments	$	33,025
Issuance of ordinary shares to Origin stockholders		26,636
Contingent consideration at estimated fair value		37,400
Total consideration	$	97,061

The fair value of the ordinary shares issued was determined based on the closing market price of the Company's ordinary shares on the Origin transaction date.

In accordance with ASC Topic 805, the estimated contingent consideration as of the Origin transaction date was included in the purchase price.The total contingent payments could reach to a maximum aggregate amount of up to $40 million. Approximately 50% of the payments shall be settled in cash, and 50% shall be settled through the issuance of ordinary shares. The estimated fair value of the contingent consideration is based on management's assessment of whether, and at what level, the financial metrics will be achieved, and the present value factors associated with the timing of the payments. This fair value measurement is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. Changes in the fair value of contingent consideration will be recorded in Consolidated Statements of Operations and Comprehensive Loss. Refer to note 9.

An additional payment of $6 million, which is subject to the founders' retention over 3 years, will be recorded as compensation expense over the retention period. Compensation expenses for the three and nine months ended September 30, 2021 were approximately $1.1 million and $3.3 million respectively.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed,based on the information that is available as of September 30, 2021. Thus, the measurements of fair value reflected are subject to changes and such changes could be significant. The preliminary allocation of the purchase price to assets acquired and liabilities assumed is as follows:

		Allocation of Purchase Price (U.S. $ in thousands)
Cash and cash equivalents	$	2,083
Goodwill		38,094
Intangible assets		71,120
Other assets		3,493
Total assets acquired		114,790
Net deferred tax liabilities		14,007
Other labilities		3,722
Total liabilities assumed		17,729
Net assets acquired	$	97,061

The allocation of the purchase price to net assets acquired and liability assumed resulted in the recognition of an intangible asset related to developed technology of $1 million. This intangible asset has a useful-life of 10 years. The fair value estimate of the developed technology is determined using a variation of the income approach known as the "Multi-Period Excess Earnings Approach". This valuation technique estimates the fair value of an asset based on market participants' expectations of the cash flows an asset would generate over its remaining useful life. The net cash flows were discounted to present value.

Pro forma information giving effect to the acquisition has not been provided as the impact of the transaction for purposes of Stratasys' consolidation results of operations and financial condition would not be material.

XAAR acquisition

On November 1, 2021, the Company acquired the remaining 55% share of XAAR 3D, for an aggregate purchase price of $33.8 million. The Company paid cash upon closing and it is obligated to make additional earn-out payments and royalties on products and services sales for up to 15 years.

RPS acquisition

On February 16, 2021 the Company acquired RP Support Limited ("RPS"), a provider of industrial stereolithography 3D printers and solutions. In exchange for 100% of the outstanding shares of RPS, the Company paid cash upon closing and it is obligated to make additional payments (in cash), subject to performance-based criteria, via earn-out payments over two years.

Marketable equity investment

The Company recognized in the three and nine months ended September 30, 2021 losses of $2.0 million and $1.2 million respectively, for revaluation of an equity investment. In prior periods the investment was treated as a non-marketable equity investment without readily determinable fair value. The entity in which the Company invested became public during the first quarter and accordingly the investment is now treated as a marketable equity investment.

Note 4. Revenues

Disaggregation of Revenues

The following table presents the Company's revenues disaggregated by geographical region (based on the Company's customers' locations) and revenue type for the three and nine months ended September 30, 2021 and 2020:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	(U.S. $ in thousands)		(U.S. $ in thousands)	
Americas				
Products	$ 65,610	$ 52,827	$ 172,961	$ 145,871
Service	37,962	33,770	105,673	106,000
Total Americas	103,572	86,597	278,634	251,871
EMEA				
Products	26,896	17,245	75,223	53,735
Service	7,165	6,003	20,279	17,348
Total EMEA	34,061	23,248	95,502	71,083
Asia Pacific				
Products	16,382	13,476	51,333	40,991
Service	4,994	4,571	14,734	14,477
Total Asia Pacific	21,376	18,047	66,067	55,468
Total Revenues	**$** 159,009	**$** 127,892	$ 440,203	$ 378,422

The following table presents the Company's revenues disaggregated based on the timing of revenue recognition (at a specific point in time or over the course of time) for the three and nine months ended September 30, 2021 and 2020:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	(U.S. $ in thousands)		(U.S. $ in thousands)	
Revenues recognized in point in time from:				
Products	$ 108,888	$ 83,548	$ 299,517	$ 240,597
Services	12,056	10,387	33,781	29,809
Total revenues recognized in point in time	120,944	93,935	333,298	270,406
Revenues recognized over time from:				
Services	38,065	33,957	106,905	108,016
Total revenues recognized over time	38,065	33,957	106,905	108,016
Total Revenues	**$** 159,009	**$** 127,892	$ 440,203	$ 378,422

Contract Assets and Contract Liabilities

Contract assets are recorded when the Company's right to consideration is conditional on constraints other than the passage of time. The Company had no material contract assets as of September 30, 2021 and December 31, 2020.

Contract liabilities include advance payments and billings in excess of revenue recognized, which are primarily related to advanced billings for service type warranty. Contract liabilities are presented under deferred revenues. The Company's deferred revenues as of September 30, 2021 and December 31, 2020 were as follows:

	September 30, 2021	December 31, 2020
	U.S. $ in thousands	
Deferred revenue*	67,084	63,392

*Includes $18 million and $14.2 million under long term deferred revenue in the Company's consolidated balance sheets as of September 30, 2021 and December 31, 2020, respectively.

Revenue recognized in 2021 that was included in deferred revenue balance as of December 31, 2020 was $9.7 million and $41.8 million for the three and nine months ended September 30, 2021.

Remaining Performance Obligations

Remaining Performance Obligations (“RPO“) represent contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. As of September 30, 2021, the total RPO amounted to $121.4 million. The Company expects to recognize $102.1 million of this RPO during the next 12 months, $10.8 million over the subsequent 12 months and the remaining $8.6 million thereafter.

Incremental Costs of Obtaining a Contract

Sales commissions earned mainly by the Company’s sales agents are considered incremental costs of obtaining a contract with a customer, as the Company expects the benefit of those commissions to be longer than one year. The majority of the sales commissions are not subject to capitalization, as the commission expense is recognized as the related revenue is recognized. Sales commissions for initial contracts related to the service type warranty are deferred and then amortized on a straight-line basis over the expected customer relationship period if the Company expects to recover those costs. Amortization expense is included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss. As of September 30, 2021 and December 31, 2020, the deferred commissions amounted to $6.6 million and $5 million, respectively.

Note 5. Inventories

Inventories consisted of the following:

	September 30, 2021	December 31, 2020
	U.S. $ in thousands	
Finished goods	$ 53,576	$ 61,297
Work-in-process	3,734	3,163
Raw materials	62,615	67,212
	$ 119,925	$ 131,672

Note 6. Goodwill and Other Intangible Assets

Goodwill

Changes in the carrying amount of the Company’s goodwill for the nine months ended September 30, 2021 were as follows:

	U.S. $ in thousands
Goodwill as of January 1, 2021*	$ 35,694
Goodwill acquired**	1,716
Measurement period adjustments	2,400
Foreign currency translation adjustments	(60)
Goodwill as of September 30, 2021	$ 39,750

*The goodwill was acquired as part of the Origin acquisition. See Note 3.

**The goodwill was acquired as part of the RPS acquisition. See Note 3.

During the third quarter of 2020, the Company noted that indicators of potential impairment existed which required an interim goodwill impairment analysis for Stratasys-Objet reporting unit. These indicators included longer and deeper than expected reduction in the business, refinement to the Company’s business focus into additional inorganic technologies and sustained decline in the Company’s market capitalization during the prior two quarters, in each case, primarily as a result of the COVID-19 impact on the global economy and the Company’s business.

As a result of the factors discussed above, the Company revisited its assumptions supporting the cash flow projections for its Stratasys-Objet reporting unit, including:

(i) the expected duration and depth of revenue reduction and certain revenue growth assumptions; (ii) the associated operating profit margins; and (iii) the long term growth rate. In estimating the discounted cash flow, the Company used the following key assumptions: the Company expected it would take approximately two years to regain the loss of revenue and return to its pre COVID-19 activity levels considering the impact of both volume and price with a similar effect on profitability. Following such period, the Company expects to return to similar growth rates as estimated in prior valuations. The Company assumed a long term terminal growth rate of 2.5%, which is lower than the 3.1% used in prior valuations. In addition, changes in business focus due to introduction of new technologies was expected to lower the total revenues related to the Stratasys-Objet reporting unit. The resulting cash flow amounts were discounted using the same discount rate of 13.5%.

Based on the revised cash flow projections, the value of the reporting unit had decreased below its carrying value, and the Company recorded in the third quarter of 2020, a goodwill impairment charge of $386.2 million, the entire reporting unit's goodwill.

Other Intangible Assets

Other intangible assets consisted of the following:

	September 30, 2021			December 31, 2020		
	Carrying Amount, Net of Impairment	Accumulated Amortization	Net Book Value	Carrying Amount, Net of Impairment	Accumulated Amortization	Net Book Value
	U.S. $ in thousands					
Developed technology	$ 365,039	$ (276,097)	$ 88,942	$ 357,863	$ (260,123)	$ 97,740
Patents	18,768	(9,594)	9,174	17,699	(8,487)	9,212
Trademarks and trade names	26,056	(21,962)	4,094	26,036	(21,114)	4,922
Customer relationships	100,802	(86,002)	14,800	101,107	(81,413)	19,694
Capitalized software development costs	7,410	(7,410)	-	7,410	(7,410)	-
	$ 518,075	$ (401,065)	$ 117,010	$ 510,115	$ (378,547)	$ 131,568

Amortization expenses relating to intangible assets for the three-month periods ended September 30, 2021 and 2020 were approximately $7.7 million and $6.2 million, respectively. Amortization expenses relating to intangible assets for the nine-month periods ended September 30, 2021 and 2020 were approximately $23.0 million and $18.6 million, respectively.

As of September 30, 2021, the estimated amortization expenses relating to intangible assets for each of the following future periods were as follows:

	Estimated amortization expense (U.S. $ in thousands)
Remaining 3 months of 2021	$ 8,213
2022	30,765
2023	16,166
2024	12,251
2025 and thereafter	49,615
Total	$ 117,010

Note 7. Net Loss Per Share

The following table presents the numerator and denominator of the basic and diluted net loss per share computations for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	In thousands, except per share amounts		In thousands, except per share amounts	
Numerator:				
Net loss attributable to Stratasys Ltd. for basic and diluted net loss per share	(18,076)	(405,062)	(57,146)	(454,751)
Denominator:				
Weighted average shares - for basic and diluted net loss per share	65,018	55,086	62,888	54,851
Net loss per share attributable to Stratasys Ltd.				
Basic and diluted	$ (0.28)	$ (7.35)	$ (0.91)	$ (8.29)

The computation of diluted net loss per share excluded share awards of5.0 million shares and 4.8 million shares for the three and nine months ended September 30, 2021 and 2020, respectively, because their inclusion would have had an anti-dilutive effect on the diluted net loss per share.

Note 8. Income Taxes

The Company had income tax benefit of $0.7 million for the three-month period ended September 30, 2021 compared to income tax benefit of $0.3 million for the three-month period ended September 30, 2020, and income tax benefit of $6.0 million for the nine-month period ended September 30, 2021 compared to income tax benefit of $2.3 million for the nine-month period ended September 30, 2020. The Company's effective tax rate as of September 30, 2021 was primarily impacted by our transition during the second quarter of 2021 to the new Israeli tax regime of "Preferred Technology Enterprise", under which the Company is subject to a 12% tax rate, as well as different geographic mixes of earnings and losses and a valuation allowance on losses of the Company's US subsidiaries.

Note 9. Fair Value Measurements

Financial instruments measured at fair value

The following table summarizes the Company's financial assets and liabilities that are carried at fair value on a recurring basis, in its consolidated balance sheets:

	September 30, 2021		December 31, 2020	
	Level 2	Level 3	Level 2	Level 3
	(U.S. $ in thousands)			
Assets:				
Foreign exchange forward contracts not designated as hedging instruments	$ 67	-	$ 56	-
Foreign exchange forward contracts designated as hedging instruments	634	-	793	-
Liabilities:				
Foreign exchange forward contracts not designated as hedging instruments	(2)	-	(1,098)	-
Foreign exchange forward contracts designated as hedging instruments	-	-	(1,584)	-
Contingent consideration	-	40,589	-	37,400
	$ 699	$ 40,589	$ (1,833)	$ 37,400

The Company's foreign exchange forward contracts are classified as Level 2, as they are not actively traded and are valued using pricing models that use observable market inputs, including interest rate curves and both forward and spot prices for currencies (Level 2 inputs).

Contingent consideration represents liabilities recorded at fair value in connection with acquisitions, and thus represents a Level 3 measurement within the fair value hierarchy (refer to Note 3).

Other financial instruments consist mainly of cash and cash equivalents, short-term deposits, current and non-current assets, accounts payable and other current liabilities. The fair value of these financial instruments approximates their carrying values.

Note 10. Derivative instruments and hedging activities

Since the Company conducts its operations globally, it is exposed to global market risks and to the risk that its earnings, cash flows and equity could be adversely impacted by fluctuations in foreign currency exchange rates. The Company enters into transactions involving foreign currency exchange derivative financial instruments. The Company manages its foreign currency exposures on a consolidated basis, which allows the Company to net exposures and take advantage of any natural hedging. The transactions are designed to manage the Company's net exposure to foreign currency exchange rates and to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The Company does not enter into derivative transactions for trading purposes.

The Company is primarily exposed to foreign exchange risk with respect to recognized assets and liabilities and forecasted transactions denominated in the New Israeli Shekel ("NIS"), Euro, GBP, Korean Won, Chinese Yuan and the Japanese Yen. The gains and losses on the hedging instruments partially offset losses and gains on the hedged items. Financial markets and currency volatility may limit the Company's ability to hedge these exposures. These contracts mature through December 2021.

The following table summarizes the consolidated balance sheets classification and fair values of the Company's derivative instruments:

		Fair Value		Notional Amount	
	Balance sheet location	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
		U.S. $ in thousands			
Assets derivatives -Foreign exchange contracts, not designated as hedging instruments	Other current assets	$ 67	$ 56	$ 43,389	$ 36,882
Assets derivatives -Foreign exchange contracts, designated as cash flow hedge	Other current assets	634	793	20,765	10,417
Liability derivatives -Foreign exchange contracts, not designated as hedging instruments	Accrued expenses and other current liabilities	(2)	(1,098)	847	37,999
Liability derivatives -Foreign exchange contracts, designated as hedging instruments	Accrued expenses and other current liabilities	-	(1,584)	-	50,186
		$ 699	$ (1,833)	$ 65,001	$ 135,484

Foreign exchange contracts not designated as hedging instruments

As of September 30, 2021, the notional amounts of the Company's outstanding exchange forward contracts, not designated as hedging instruments, were $44.2 million, and were used to reduce foreign currency exposures. With respect to such derivatives, gain of $0.9 million and loss of $3.2 million were recognized under financial income (expenses), net for the three-month periods ended September 30, 2021 and 2020, respectively. Such gains or losses partially offset the foreign currency revaluation changes of the balance sheet items. These foreign currencies revaluation changes are also recognized under financial income (expenses), net.

Cash Flow Hedging - Hedges of forecasted foreign currency payroll and other operating expenses

As of September 30, 2021, the Company had in effect foreign exchange forward contracts, designated as cash flow hedges for accounting purposes, for the conversion of $6.4 million into NIS. The Company uses short-term cash flow hedge contracts to reduce its exposure to variability in expected future cash flows resulting mainly from payroll costs and other operating expenses denominated in NIS. The changes in fair value of those contracts are included in the Company's accumulated other comprehensive loss.

Cash Flow Hedging - Hedges of forecasted foreign currency revenue

As of September 30, 2021, the Company had in effect foreign exchange forward contracts, designated as cash flow hedges for accounting purposes, for the conversion of 12.0 million Euro into U.S. dollars. The Company transacts business in U.S. dollars and in various other currencies. The Company may use foreign exchange or forward contracts to hedge certain cash flow exposures resulting from changes in these foreign currency exchange rates. These foreign exchange contracts, carried at fair value, have maturities of up to twelve months. The Company enters into these foreign exchange contracts to hedge a portion of its forecasted foreign currency denominated revenue in the normal course of business and accordingly, they are not speculative in nature.

Note 11. Equity

a. Stock-based compensation plans

Stock-based compensation expenses for equity-classified stock options, restricted share units ("RSUs") and performance-based restricted share units ("PSUs") were allocated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	U.S $ in thousands		U.S $ in thousands	
Cost of revenues	$ 805	$ 524	$ 2,227	$ 1,370
Research and development, net	1,764	1,587	5,058	3,764
Selling, general and administrative	5,389	2,765	15,855	10,623
Total stock-based compensation expenses	$ 7,958	$ 4,876	$ 23,140	$ 15,757

A summary of the Company's stock option activity for the nine months ended September 30, 2021 is as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as of January 1, 2021	2,102,529	$ 28.06
Granted	46,366	3.15
Exercised	(209,819)	20.05
Forfeited	(40,548)	41.82
Options outstanding as of September 30, 2021	1,898,528	28.04
Options exercisable as of September 30, 2021	1,569,587	$ 30.66

As of September 30, 2021, the unrecognized compensation cost of $2.5 million related to all unvested, equity-classified stock options is expected to be recognized as an expense over a weighted-average period of 3.2 years.

A summary of the Company's RSUs and PSUs activity for the three months ended September 30, 2021 is as follows:

	Number of RSUs and PSUs	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	2,801,116	$ 21.08
Granted	1,272,386	33.91
Vested	(709,434)	21.88
Forfeited	(284,276)	21.98
Unvested as of September 30, 2021	3,079,792	**$** 26.11

The fair value of RSUs and PSUs is determined based on the quoted price of the Company's ordinary shares on the date of the grant.

As of September 30, 2021, the unrecognized compensation cost of $60 million related to all unvested, equity-classified RSUs and PSUs is expected to be recognized as expense over a weighted-average period of 2.34 years.

b. Accumulated other comprehensive loss

The following tables present the changes in the components of accumulated other comprehensive income (loss), net of taxes, for the nine months ended September 30, 2021 and 2020, respectively:

	Nine Months Ended September 30, 2021		
	Net Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
		U.S. $ in thousands	
Balance as of January 1, 2021	$ (1,673)	$ (7,173)	$ (8,846)
Other comprehensive income before reclassifications	2,427	(2,105)	322
Amounts reclassified from accumulated other comprehensive loss	152	-	152
Other comprehensive income	2,579	(2,105)	474
Balance as of September 30, 2021	$ 906	$ (9,278)	$ (8,372)

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	Nine Months Ended September 30, 2020		
	Net Unrealized Gain (Loss) on Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
	U.S. $ in thousands		
Balance as of January 1, 2020	$ (10)	$ (7,706)	$ (7,716)
Other comprehensive income (loss) before reclassifications	(299)	(611)	(910)
Amounts reclassified from accumulated other comprehensive loss	(663)	-	(663)
Other comprehensive income (loss)	(962)	(611)	(1,573)
Balance as of September 30, 2020	$ (972)	$ (8,317)	$ (9,289)

c. Public offering of ordinary shares

During March 2021, the Company completed a public offering of $218.9 million, net of underwriting discounts and offering expenses. The total number of shares sold by the Company in the public offering was 7,931,034.

A deferred tax asset in an amount of $1.3 million was recorded in respect of a tax benefit, arising from the underwriting discounts and offering expenses, as an increase to Additional Paid-In Capital.

Note 12. Contingencies

Legal proceedings

Subsequent to September 30, 2021, the Company reached preliminary settlement on an employees related matter in the US. The financial statements for the third quarter include a provision in respect of this settlement.

The Company is a party to various legal proceedings from time to time, the outcome of which, in the opinion of management, will not have a significant effect on the financial position, profitability or cash flows of the Company.

Exhibit 99.2

OPERATING AND FINANCIAL REVIEW AND PROSPECTS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and the related notes included as Exhibit 99.1 to the Report of Foreign Private Issuer on Form 6-K to which this Operating and Financial Review and Prospects is attached, or the Form 6-K. The discussion below contains forward-looking statements (within the meaning of the United States federal securities laws) that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties, including those identified in "Forward-Looking Statements and Factors that May Affect Future Results of Operations" and "Risk Factors" below, as well in the "Risk Factors" in Item 3.D of our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the Securities and Exchange Commission, or SEC, on March 1, 2021, or our 2020 Annual Report.

Overview of Business and Trend Information

We are a global leader in connected, polymer-based 3D printing solutions, across the entire manufacturing value chain. Leveraging distinct competitive advantages that include a broad set of best-in-class 3D printing platforms, software, a materials and technology partner ecosystem, innovative leadership, and global GTM infrastructure, we are positioned to capture share in a significant and growing global marketplace, with a focus on manufacturing, which we view as having the largest and fastest growing total addressable market.

Our approximately 1,600 granted and pending additive technology patents to date have been used to create models, prototypes, manufacturing tools, and production parts for a multitude of industries including aerospace, automotive, transportation, healthcare, consumer products, dental, medical, and education. Our products and comprehensive solutions improve product quality, development time, cost, and time-to-market. Our 3D ecosystem of solutions and expertise includes 3D printers, materials, software, expert services, and on-demand parts production.

With our recent acquisition of Origin Laboratories, Inc., or Origin, we have significantly strengthened our leadership in mass production for polymer 3D printing. Origin's pioneering approach to additive manufacturing of end-use parts will enable us to serve a large market with manufacturing-grade 3D printers, utilizing P^3 Programmable PhotoPolymerization. This technology precisely controls light, heat, and force, among other variables, to produce parts with exceptional accuracy and consistency.

Our acquisition, in the first quarter of 2021, of UK-based RP Support Ltd., or RPS, a provider of industrial stereolithography 3D printers and solutions, provides us with a complementary technology that further expands our polymer suite of solutions across the product life cycle.
In addition, our recent acquisition of all remaining shares of Xaar 3D Ltd., which we completed on November 1, 2021, is expected to accelerate our growth in production-scale 3D printing.

COVID Impact

As in preceding quarters (since the first quarter of 2020), our results of operations for the three and nine month periods ended September 30, 2021 should be evaluated in light of the ongoing global COVID-19 pandemic, which has disrupted businesses on a global scale. Our revenues in the third quarter of 2021 furthered the positive trend begun in the first and second quarters of the year, reflecting growth both on a year-over-year basis and on a sequential quarterly basis. The nine-month results evidence these improvements on an aggregate basis, with an increase in revenues by 16.3% compared to the corresponding nine month period of 2020, when the COVID-19 pandemic adversely impacted our revenues significantly. Our improved performance in the third quarter of 2021 was primarily driven by a 26.6% increase in Consumables revenues and by a 34.7% increase in system revenues. Our revenues in the third quarter have surpassed pre-COVID-19 levels for the first time since the start of the pandemic ($159.0 million in the third quarter of 2021 compared to $157.5 million in the corresponding period of 2019), signaling a full recovery for our top-line results.

In the third quarter of 2021, we continued working at full-capacity on a global basis, with a high percentage of our employees throughout the world having received vaccines against COVID-19 during or prior to the quarter.

We continue to monitor the impact of COVID-19, assessing implications for our operations, supply chain, liquidity, cash flow and customer orders, and have been acting in an effort to mitigate adverse consequences as needed. We ended the third quarter of 2021 with $519.9 million in cash, cash equivalents and short-term deposits, which is similar to our liquid assets level as of the end of the second quarter of 2021. We believe that we are well suited to continue to manage the COVID-19 pandemic (to the extent that it continues to remain a significant factor) with a strong balance sheet and no debt, while focusing on cost controls and cash generation. We selectively applied the R&D cost controls to ensure that our NPI programs were not affected, and we plan to continue investing as needed in order to support our new product development programs.

Summary of Financial Results

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. In the opinion of our management, all adjustments considered necessary for a fair statement of the unaudited condensed consolidated financial statements have been included herein and are of a normal recurring nature. The following discussion compares the actual results, on a GAAP basis, for the three and nine months ended September 30, 2021 with the corresponding periods of 2020.

Results of Operations

Comparison of Three Months Ended September 30, 2021 to Three Months Ended September 30, 2020

The following table sets forth certain statement of operations data for the periods indicated:

	Three Months Ended September 30,			
	2021		2020	
	U.S. $ in thousands	% of Revenues	U.S. $ in thousands	% of Revenues
Revenues	$ 159,009	100.0%	$ 127,892	100.0%

Cost of revenues	90,821	57.1%	78,123	61.1%
Gross profit	68,188	42.9%	49,769	38.9%
Research and development, net	22,645	14.2%	19,562	15.3%
Selling, general and administrative	67,462	42.4%	48,343	37.8%
Goodwill impairment	-	0.0%	386,154	301.9%
Operating loss	(21,919)	(13.8)%	(404,290)	(316.1)%
Financial expenses, net	(634)	(0.4)%	(167)	(0.1)%
Loss before income taxes	(22,553)	(14.2)%	(404,457)	(316.2)%
Income tax benefit	699	0.4%	343	0.3%
Share in profit (loss) of associated companies	3,778	2.4%	(952)	(0.7)%
Net loss attributable to non-controlling interests	-	0.0%	(4)	0.0%
Net loss attributable to Stratasys Ltd.	(18,076)	(11.4)%	(405,062)	(316.7)%

Discussion of Results of Operations

Revenues

Our products and services revenues in the three months ended September 30, 2021 and 2020, as well as the percentage change reflected thereby, were as follows:

	Three Months Ended September 30,		
	2021	2020	% Change
	U.S. $ in thousands		
Products	$ 108,888	$ 83,548	30.3%
Services	50,121	44,344	13.0%
	$ 159,009	$ 127,892	24.3%

Products Revenues

Revenues derived from products (including AM systems and consumable materials) increased by $25.3 million, or 30.3%, for the three months ended September 30, 2021, as compared to the three months ended September 30, 2020.

System revenues for the three months ended September 30, 2021 increased by 34.7% as compared to the three months ended September 30, 2020. Consumables revenues for the three months ended September 30, 2021 increased by 26.6% as compared to the three months ended September 30, 2020.

Services Revenues

Services revenues (including SDM, maintenance contracts, time and materials and other services) increased by $5.8 million for the three months ended September 30, 2021, or 13%, as compared to the three months ended September 30, 2020. Within services revenues, customer support revenue, which includes revenue generated mainly by maintenance contracts on our systems, increased by 7.2%.

Our third quarter revenue results demonstrates that an end-market recovery is well underway compared to the corresponding quarter of 2020, which was fully impacted by the pandemic.

Revenues by Region

Revenues and the percentage of revenues by region for the three months ended September 30, 2021 and 2020, as well as the percentage change in revenues in each such region reflected thereby, were as follows:

	Three Months Ended September 30,				
	2021		2020		% Change
	U.S.$ in thousands	% of Revenues	U.S.$ in thousands	% of Revenues	
Americas*	$ 103,572	65.2%	$ 86,597	67.7%	19.6%
EMEA	34,061	21.4%	23,248	18.2%	46.5%
Asia Pacific	21,376	13.4%	18,047	14.1%	18.4%
	$ 159,009	100.0%	$ 127,892	100.0%	24.3%

* Represent the United States, Canada and Latin America

Revenues in the Americas region increased by $17.0 million, or 19.6%, to $103.6 million for the three months ended September 30, 2021, compared to $86.6 million for the three months ended September 30, 2020. The increase reflects recovery from COVID-19 for both product revenue and service revenue.

Revenues in the EMEA region increased by $10.8 million, or 46.5%, to $34.1 million for the three months ended September 30, 2021, compared to $23.2 million for the three months ended September 30, 2020. The increase reflects recovery from COVID-19 for both product and service revenue as well as revenue from the RPS acquisition in early 2021. On a constant currency basis when using the prior period's exchange rates, revenues increased by $10.3 million, or 44.2%.

Revenues in the Asia Pacific region increased by $3.3 million, or 18.4%, to $21.4 million for the three months ended September 30, 2021, compared to $18 million for the three months ended September 30, 2020. The increase was primarily driven by higher products revenues and reflects recovery from COVID-19.

Gross Profit

Gross profit from our products and services, as well as the percentage change reflected thereby, was as follows:

Three Months Ended September 30,

	2021	2020	Change in %
	U.S. $ in thousands		
Gross profit attributable to:			
Products	$ 54,068	$ 36,209	49.3%
Services	14,120	13,560	4.1%
	$ 68,188	$ 49,769	37.0%

Gross profit as a percentage of revenues from our products and services was as follows:

	Three Months Ended September 30, 2021	2020
Gross profit as a percentage of revenues from:		
Products	49.7%	43.3%
Services	28.2%	30.6%
Total gross profit	42.9%	38.9%

Gross profit attributable to products revenues increased by $17.9 million, or 49.3%, to $54.1 million for the three months ended September 30, 2021, compared to gross profit of $36.2 million for the three months ended September 30, 2020. Gross profit attributable to products revenues as a percentage of products revenues increased to 49.7% for the three months ended September 30, 2021, compared to 43.3% for the three months ended September 30, 2020. Our gross profit from products revenues was favorably impacted by the mix of revenue sources driven by an increase of hardware and consumables, partially offset by increased global cost pressures that included both logistics and raw materials and ramp-up production costs for new product introductions.

Gross profit attributable to services revenues increased by $0.6 million, or 4.1%, to $14.1 million for the three months ended September 30, 2021, compared to $13.6 million for the three months ended September 30, 2020, reflecting a recovery from COVID-19. Gross profit attributable to services revenues as a percentage of services revenues in the three months ended September 30, 2021 decreased to 28.2%, as compared to 30.6% for the three months ended September 30, 2020. Services costs were up primarily due to the return to a five-day workweek, post-COVID expenses as the market started opening up, and recent acquisitions (Origin and RPS).

Operating Expenses

The amount of each type of operating expense for the three months ended September 30, 2021 and 2020, as well as the percentage change reflected thereby, and total operating expenses as a percentage of our total revenues in each such quarter, were as follows:

	Three Months Ended September 30, 2021	2020	% Change
	U.S. $ in thousands		
Research and development, net	$ 22,645	$ 19,562	15.8%
Selling, general and administrative	67,462	48,343	39.5%
Goodwill impairment	-	386,154	(100.0)%
	$ 90,107	$ 454,059	(80.2)%
Percentage of revenues	56.7%	355.0%	

Operating expenses were $90.1 million in the third quarter of 2021, compared to operating expenses of $454.1 million in the third quarter of 2020. The decrease in operating expenses was mainly due to the goodwill impairment of $386.2 million in the third quarter of 2020.

Excluding the goodwill impairment charge, our operating expenses increased by $22.2 million compared to the third quarter of 2020. Operating expenses were up primarily due to the return to a five-day workweek, post-COVID expenses as the market started opening up, and recent acquisitions (Origin and RPS).

Research and development expenses, net increased by $3.1 million, or 15.8%, to $22.6 million for the three months ended September 30, 2021, compared to $19.6 million for the three months ended September 30, 2020. The amount of research and development expenses constituted 14.2% of our revenues for the three months ended September 30, 2021, as compared to 15.3% for the three months ended September 30, 2020, a non-material change.

Our research and development expenses were impacted by the timing of project spending and product launches, based on our portfolio management. We continue to invest in strategic long-term initiatives that include advancements in our core FDM and PolyJet technologies and in our new photopolymer-based P3 technology, advanced composite materials, software and development of new applications which will enhance our current solutions offerings.

Selling, general and administrative expenses increased by $19.1 million, or 39.5%, to $67.5 million for the three months ended September 30, 2021, compared to $48.3 million for the three months ended September 30, 2020, driven by the increase in operating activities, the return to a five-day workweek, commissions and travel expenses.

Operating Loss

Operating loss and operating loss as a percentage of our total revenues were as follows:

	Three Months Ended September 30, 2021	2020
	U.S. $ in thousands	
Operating loss	$ (21,919)	$ (404,290)
Percentage of revenues	(13.8)%	(316.1)%

Operating loss amounted to $21.9 million for the three months ended September 30, 2021, compared to an operating loss of $404.3 million for the three months ended September 30, 2020. The decrease in operating loss was primarily attributable to the goodwill impairment in the third quarter of 2020, partly offset by increased operating expenses, as discussed above.

Financial Expenses, net

Financial expenses, net, which was primarily comprised of foreign currencies effects, interest income and interest expenses, was $0.6 million for the three months ended September 30, 2021, compared to financial expenses, net of $0.2 million for the three months ended September 30, 2020.

Income Taxes

Income taxes and income taxes as a percentage of net loss before taxes, as well as the percentage change in each, year over year, reflected thereby, were as follows:

	Three Months Ended September 30,		
	2021	2020	
	U.S. $ in thousands		Change in %
Income tax benefit	$ 699	$ 343	103.8%
As a percent of loss before income taxes	3.1%	0.1%	3,554.7%

We had an effective tax rate of 3.1% for the three-month period ended September 30, 2021, compared to an effective tax rate of 0.1% for the three-month period ended September 30, 2020. Our effective tax rate was primarily impacted by different geographic mixes of earnings and losses, and valuation allowance on losses of our US subsidiaries.

Share in Profit (loss) of Associated Companies

Share in profit of associated companies reflects our proportionate share of the profits of unconsolidated entities accounted for by using the equity method of accounting. During the three months ended September 30, 2021, the profit from our proportionate share of the losses of our equity method investments was $3.8 million, compared to a loss of $1.0 million in the three months ended September 30, 2020.

Net Loss Attributable to Stratasys Ltd. and Net Loss Per Share

Net loss attributable to Stratasys Ltd., and net loss per share were as follows:

	Three Months Ended September 30,	
	2021	2020
	U.S. $ in thousands	
Net loss attributable to Stratasys Ltd.	$ (18,076)	$ (405,062)
Percentage of revenues	(11.4)%	(316.7)%
Basic and diluted net loss per share	$ (0.28)	$ (7.35)

Net loss attributable to Stratasys Ltd. was $18.1 million for the three months ended September 30, 2021 compared to net loss of $405.1 million for the three months ended September 30, 2020. The decrease in the net loss attributable to Stratasys Ltd. was primarily attributable to the goodwill impairment in the third quarter of 2020, as described above.

Net loss per share was $0.28 for the three months ended September 30, 2021 as compared to net loss per share of $7.35 for the three months ended September 30, 2020. The weighted average fully diluted share count was 65.0 million during the three months ended September 30, 2021, compared to 55.1 million during the three months ended September 30, 2020, which increase reflected the issuance of shares in our follow-on offering that was consummated in March 2021.

Results of Operations

Comparison of Nine Months Ended September 30, 2021, to Nine Months Ended September 30, 2020

The following table sets forth certain statement of operations data for the periods indicated:

	Nine Months Ended September 30,			
	2021		2020	
	U.S. $ in thousands	% of Revenues	U.S. $ in thousands	% of Revenues
Revenues	$ 440,203	100.0%	$ 378,422	100.0%
Cost of revenues	253,168	57.5%	225,047	59.5%
Gross profit	187,035	42.5%	153,375	40.5%
Research and development, net	65,683	14.9%	65,059	17.2%
Selling, general and administrative	184,353	41.9%	155,630	41.1%
Goodwill impairment	-	0.0%	386,154	102.0%
Operating loss	(63,001)	(14.3)%	(453,468)	(119.8)%
Financial expenses, net	(1,383)	(0.3)%	(847)	(0.2)%
Loss before income taxes	(64,384)	(14.6)%	(454,315)	(120.1)%
Income tax benefit	6,009	1.4%	2,250	0.6%
Share in profit (loss) of associated companies	1,229	0.3%	(2,740)	(0.7)%
Net loss attributable to non-controlling interests	-	0.0%	(54)	0.0%
Net loss attributable to Stratasys Ltd.	(57,146)	(13.0)%	(454,751)	(120.2)%

Discussion of Results of Operations

Revenues

Our products and services revenues in the nine months ended September 30, 2021 and 2020, as well as the percentage change reflected thereby, were as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	% Change
	U.S. $ in thousands		
Products	$ 299,517	$ 240,597	24.5%
Services	140,686	137,825	2.1%
	$ 440,203	$ 378,422	16.3%

Products Revenues

Revenues derived from products (including AM systems and consumable materials) increased by $58.9 million, or 24.5%, for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020.

Systems revenues for the nine months ended September 30, 2021 increased by 35.5% as compared to the nine months ended September 30, 2020. Consumables revenues for the nine months ended September 30, 2021 increased by 16.5%% as compared to the nine months ended September30, 2020.

The increase reflects recovery from COVID-19 for products revenue as well as revenue from RPS, which we acquired in early 2021.

Services Revenues

Services revenues (including SDM, maintenance contracts, time and materials and other services) increased by $2.9 million for the nine months ended September 30, 2021, or 2.1%, as compared to the nine months ended September 30, 2020.

Revenues by Region

Revenues and the percentage of revenues by region for the nine months ended September 30, 2021 and 2020, as well as the percentage change in revenues in each such region reflected thereby, were as follows:

	Nine Months Ended September 30, 2021		2020		% Change
	U.S.$ in thousands	% of Revenues	U.S.$ in thousands	% of Revenues	
Americas*	$ 278,634	63.3%	$ 251,871	66.5%	10.6%
EMEA	95,502	21.7%	71,083	18.8%	34.4%
Asia Pacific	66,067	15.0%	55,468	14.7%	19.1%
	$ 440,203	100.0%	$ 378,422	100.0%	16.3%

* Consists of United States, Canada and Latin America

Revenues in the Americas region increased by $26.8 million, or 10.6%, to $278.6 million for the nine months ended September 30, 2021, compared to $251.9 million for the nine months ended September 30, 2020.

Revenues in the EMEA region increased by $24.4 million, or 34.4%, to $95.5 million for the nine months ended September 30, 2021, compared to $71.1 million for the nine months ended September 30, 2020.

Revenues in the Asia Pacific region increased by $10.6 million, or 19.1%, to $66.1 million for the nine months ended September 30, 2021, compared to $55.5 million for the nine months ended September 30, 2020.

Gross Profit

Gross profit from our products and services, as well as the percentage change reflected thereby, were as follows:

	Nine Months Ended September 30, 2021	2020	Change in %
	U.S. $ in thousands		
Gross profit attributable to:			
Products	$ 148,046	$ 114,041	29.8 %
Services	38,989	39,334	(0.9) %
	$ 187,035	$ 153,375	21.9 %

Gross profit as a percentage of revenues from our products and services was as follows:

	Nine Months Ended September 30, 2021	2020
Gross profit as a percentage of revenues from:		
Products	49.4%	47.4%
Services	27.7%	28.5%
Total gross profit	42.5%	40.5%

Gross profit attributable to products revenues increased by $34 million, or 29.8%, to $148.0 million for the nine months ended September 30, 2021, compared to gross profit of $114.0 million for the nine months ended September 30, 2020. Gross profit attributable to products revenues as a percentage of products revenues increased to 49.4% for the nine months ended September 30, 2021, compared to 47.4% for the nine months ended September 30, 2020.

Gross profit attributable to services revenues decreased by $0.3 million, or 0.9%, to $39.0 million for the nine months ended September 30, 2021, compared to $39.3 million for the nine months ended September 30, 2020. Gross profit attributable to services revenues as a percentage of services revenues in the nine months ended September 30, 2021 decreased to 27.7%, as compared to 28.5% for the nine months ended September 30, 2020.

Operating Expenses

The amount of each type of operating expense for the nine months ended September 30, 2021 and 2020 as well as the percentage change reflected thereby, and total operating expenses as a percentage of our total revenues in each such quarter, were as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	% Change
	U.S. $ in thousands		
Research and development, net	$ 65,683	$ 65,059	1.0%
Selling, general and administrative	184,353	155,630	18.5%
Goodwill impairment	$ -	$ 386,154	(100.0)%
	$ 250,036	$ 606,843	(58.8)%
Percentage of revenues	56.8%	160.4%	

Research and development expenses, net increased by $0.6 million, or 1.0%, to $65.7 million for the nine months ended September 30, 2021, compared to $65.1 million for the nine months ended September 30, 2020. The amount of research and development expenses constituted 14.9% of our revenues for the nine months ended September 30, 2021, as compared to 17.2% for the nine months ended September 30, 2020.

Selling, general and administrative expenses increased by $28.7 million, or 18.5%, to $184.4 million for the nine months ended September 30, 2021, compared to $155.6 million for the nine months ended September 30, 2020. The amount of selling, general and administrative expenses constituted 41.9% of our revenues for the nine months ended September 30, 2021, as compared to 41.1% for the nine months ended September 30, 2020.

Goodwill impairment was $386.2 million in the nine months ended September 30, 2020, reflecting the Stratasys-Objet reporting unit impairment charge recorded during the third quarter of 2020.

Operating Loss

Operating loss and operating loss as a percentage of our total revenues were as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	U.S. $ in thousands	
Operating loss	$ (63,001)	$ (453,468)
Percentage of revenues	(14.3)%	(119.8)%

Operating loss amounted to $63.0 million for the nine months ended September 30, 2021, compared to an operating loss of $453.5 million for the nine months ended September 30, 2020.

The decrease in operating loss was primarily attributable to the goodwill impairment in the third quarter of 2020.

Financial Expenses, net

Financial expenses, net, which were primarily comprised of foreign currencies effects, interest income and interest expenses, were $1.4 million for the nine months ended September 30, 2021 and $0.8 million for the nine months ended 30 September, 2020.

Income Taxes

Income taxes and income taxes as a percentage of net loss before taxes, as well as the percentage change in each, year over year, reflected thereby, were as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change in %
	U.S. $ in thousands		
Income tax benefit	$ 6,009	$ 2,250	167.1%
As a percent of loss before income taxes	9.3%	0.5%	1,784.5%

We had an effective tax rate of 9.3% for the nine-month period ended September 30, 2021, compared to an effective tax rate of 0.5% for the nine-month period ended September 30, 2020.

Our effective tax rate was primarily impacted by our transition during the second quarter of 2021 to the new Israeli tax regime of "Preferred Technology Enterprise", under which we are subject to a 12% tax rate, as well as different geographic mixes of earnings and losses, and valuation allowance on losses of our US subsidiaries.

Share in Profit (loss) of Associated Companies

Share in profit of associated companies reflects our proportionate share of the profits of unconsolidated entities accounted for by using the equity method of accounting. During the nine months ended September 30, 2021, the profit from our proportionate share of the earnings of our equity method investments was $1.2 million, compared to a loss of $2.7 million in the nine months ended September 30, 2020.

Net Loss Attributable to Stratasys Ltd. and Net Loss Per Share

Net loss attributable to Stratasys Ltd., and net loss per share were as follows:

		Nine Months Ended September 30,		
		2021		2020
		U.S. $ in thousands		
Net loss attributable to Stratasys Ltd.	$	(57,146)	$	(454,751)
Percentage of revenues		(13.0)%		(120.2)%
Basic and diluted net loss per share	$	(0.91)	$	(8.29)

Net loss attributable to Stratasys Ltd. was $57.1 million for the ninemonths ended September 30, 2021 compared to a net loss of $454.8 million for the nine months ended September 30, 2020.

Net loss per share was $0.91 and $8.29 for the nine months ended September 30, 2021 and 2020, respectively. The weighted average fully diluted share count was 62.9 million for the nine months ended September 30, 2021, compared to 54.9 million for the ninemonths ended September 30, 2020, which increase reflected the issuance of shares in our follow-on offering that was consummated in March 2021.

Goodwill impairment was $386.2 million in the nine months ended September 30, 2020, reflecting the Stratasys-Objet reporting unit impairment charge recorded during the third quarter of 2020.

Supplemental Operating Results on a Non-GAAP Basis

The following non-GAAP data, which excludes certain items as described below, are non-GAAP financial measures. Our management believes that these non-GAAP financial measures are useful information for investors and shareholders of our company in gauging our results of operations (i) on an ongoing basis after excluding mergers, acquisitions and divestments related expense or gains and restructuring-related charges or gains, legal provisions and (ii) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, including intangible assets amortization related to equity method investments, impairment of long-lived assets and goodwill, revaluation of our investments and the corresponding tax effect of those items. These non-GAAP adjustments either do not reflect actual cash outlays that impact our liquidity and our financial condition or have a non-recurring impact on the statement of operations, as assessed by management. These non-GAAP financial measures are presented to permit investors to more fully understand how management assesses our performance for internal planning and forecasting purposes. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of our results of operations without including all items indicated above during a period, which may not provide a comparable view of our performance to other companies in our industry. Investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with GAAP. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table below.

Reconciliation of GAAP to Non-GAAP Results of Operations

The following tables present the GAAP measures, the corresponding non-GAAP amounts and the related non-GAAP adjustments for the applicable periods:

	Three Months Ended September 30,					
	2021 GAAP	Non-GAAP Adjustments	2021 Non-GAAP	2020 GAAP	Non-GAAP Adjustments	2020 Non-GAAP
	U.S. dollars and shares in thousands (except per share amounts)					
Gross profit (1)	$68,188	$8,507	$76,695	$49,769	$10,036	$59,805
Operating income (loss) (1,2)	(21,919)	23,739	1,820	(404,290)	403,268	(1,022)
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(18,076)	18,592	516	(405,062)	402,050	(3,012)
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	$ (0.28)	$ 0.28	$ 0.01	$ (7.35)	$ 7.30	$ (0.05)
(1) Acquired intangible assets amortization expense		5,495			4,065	
Non-cash stock-based compensation expense		804			524	
Restructuring and other related costs		67			191	
Impairment charges		2,141			5,256	
		8,507			10,036	
(2) Acquired intangible assets amortization expense		2,205			2,162	
Non-cash stock-based compensation expense		7,154			4,352	
Goodwill impairment		-			386,154	
Impairment of long-lived assets		1,242			-	
Restructuring and other related costs		210			34	
Revaluation of investments		2,025			-	
Contingent consideration		197			-	
Legal and other expenses		2,199			530	
		15,232			393,232	
		23,739			403,268	
(3) Corresponding tax effect		(376)			(1,296)	
Equity method related amortization, divestments and impairments		(4,771)			78	
		$ 18,592			$ 402,050	
(4) Weighted average number of ordinary shares outstanding- Diluted	65,018		65,950	55,086		55,086

Nine Months Ended September 30,

		2021 GAAP	Non-GAAP Adjustments	2021 Non-GAAP	2020 GAAP	Non-GAAP Adjustments	2020 Non-GAAP
		U.S. dollars and shares in thousands (except per share amounts)					
	Gross profit (1)	$ 187,035	$ 22,192	$ 209,227	$ 153,375	$ 24,062	$ 177,437
	Operating income (loss) (1,2)	(63,001)	59,657	(3,344)	(453,468)	435,987	(17,481)
	Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(57,146)	52,284	(4,862)	(454,751)	433,821	(20,930)
	Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	$ (0.91)	$ 0.83	$ (0.08)	$ (8.29)	$ 7.91	$ (0.38)
(1)	Acquired intangible assets amortization expense		16,368			12,196	
	Non-cash stock-based compensation expense		2,226			1,424	
	Restructuring and other related costs		1,457			5,187	
	Impairment charges		2,141			5,256	
			22,192			24,062	
(2)	Acquired intangible assets amortization expense		6,598			6,430	
	Non-cash stock-based compensation expense		20,914			14,470	
	Goodwill impairment		-			386,154	
	Impairment of long-lived assets		2,664				
	Restructuring and other related costs		2,370			3,863	
	Revaluation of investments		556			-	
	Contingent consideration		590			-	
	Legal and other expenses		3,773			1,007	
			37,465			411,925	
			59,657			435,987	
(3)	Corresponding tax effect		(2,770)			(2,396)	
	Equity method related amortization, divestments and impairments		(4,603)			230	
			$ 52,284			$ 433,821	
(4)	Weighted average number of ordinary shares outstanding- Diluted	62,888		62,888	54,851		54,851

Liquidity and Capital Resources

A summary of our statements of cash flows is as follows:

	Nine Months Ended September 30, 2021	2020
	U.S $ in thousands	
Net loss	$ (57,146)	$ (454,805)
Goodwill impairment	-	386,154
Impairment of other long-lived assets	1,944	5,557
Depreciation and amortization	41,412	37,428
Stock-based compensation	23,140	15,894
Deferred income taxes	(9,054)	(1,541)
Other non-cash items, net	3,957	212
Change in working capital and other items	27,143	15,205
Net cash provided by operating activities	31,396	4,104
Net cash used in investing activities	(191,166)	(44,246)
Net cash provided by financing activities	222,955	53
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,413)	(484)
Net change in cash, cash equivalents and restricted cash	60,772	(40,573)
Cash, cash equivalents and restricted cash, beginning of period	272,216	293,597
Cash, cash equivalents and restricted cash, end of period	332,988	253,024

Our cash, cash equivalents and restricted cash balance increased to $333 million as of September 30, 2021 from $272.2 million as of December 31, 2020. The increase in cash, cash equivalents and restricted cash in the nine months ended September 30, 2021 was primarily due to the public offering of shares in a net amount of $218.9 million that we completed in March 2021, partially offset by investing activities.

Cash flows from operating activities

We generated $31.4 million of cash from operating activities during the nine months ended September 30, 2021. That cash generation reflects our $57.1 million net loss, as adjusted to eliminate non-cash charges included in net loss, including $41.4 million of depreciation and amortization and $23.1 million of share-based compensation expenses. Favorable changes in our working capital balances were mainly driven by a decrease in our inventory balances and an increase in our accounts payable balance.

Cash flows from investing activities

We used $191.2 million of cash in our investing activities during the nine months ended September 30, 2021. Cash was primarily used to invest $17.4 million to purchase property, equipment and intangibles and $160.0 million net was invested in short-term bank deposits. Our principal property and equipment purchases were for our new buildings complex under construction in Rehovot, Israel. The new facility in Rehovot, Israel, which will contain two buildings, houses our Israeli headquarters, research and development facilities and certain marketing activities. In addition, we used $6.7 million of cash for acquisitions, net of cash acquired.

Cash flows from financing activities

We generated $223.0 million of cash from financing activities during the nine months ended September 30, 2021. Our March 2021 follow-on public offering of shares generated proceeds, net of issuance costs of $218.9 million, and we generated an additional $3.7 million of proceeds from exercise of stock options

Capital resources and capital expenditures

Our total current assets amounted to $797.6 million as of September 30, 2021, of which $520.0 million consisted of cash, cash equivalents, short-term deposits and restricted cash. Total current liabilities amounted to $172.8 million. Most of our cash and cash equivalents are held in banks in Israel and the U.S.

The credit risk related to our accounts receivable is limited due to the relatively large number of customers and their wide geographic distribution. In addition, we seek to reduce the credit exposure related to our accounts receivable by imposing credit limits, conducting ongoing credit evaluation, and by implementing account monitoring procedures, as well as credit insurance for many of our customers.

We believe that we will have adequate cash and cash equivalents to fund our ongoing operations and that these sources of liquidity will be sufficient to satisfy our capital expenditure and working capital needs for the next twelve months.

Critical Accounting Policies

We have prepared our consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America. This has required us to make estimates, judgments, and assumptions that affected the amounts we reported. Actual results may differ from those estimates. To facilitate the understanding of our business activities, certain accounting policies that are important to the presentation of our financial condition and results of operations and that require management's subjective judgments are described in our 2020 Annual Report. We base our judgments on our experience and various assumptions that we believe to be reasonable under the circumstances.

Forward-Looking Statements and Factors That May Affect Future Results of Operations

Certain information included in or incorporated by reference into the Report of Foreign Private Issuer on Form 6-K to which this Operating and Financial Review is appended, or the Form 6-K, may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "may," "will," "could," "should," "expect," "anticipate," "intend," "estimate," "believe," "project," "plan," "assume" or other similar expressions, or negatives of those expressions, although not all forward-looking statements contain these identifying words.

These forward-looking statements may include, but are not limited to, statements regarding our future strategy, future operations, projected financial position, proposed products, estimated future revenues, projected costs, future prospects, the future of our industry and results that might be obtained by pursuing management's current plans and objectives.

You should not place undue reliance on our forward-looking statements because the matters they describe are subject to certain risks, uncertainties and assumptions that are difficult to predict. Our forward-looking statements are based on the information currently available to us and speak only as of the date of the Form 6-K. Over time, our actual results, performance or achievements may differ from those expressed or implied by our forward-looking statements, and such difference might be significant and materially adverse to our shareholders. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things:

- the extent of our success at introducing new or improved products and solutions that gain market share;
- the extent of growth of the 3D printing market generally;
- the duration and severity of the global COVID-19 pandemic, and the strength of recovery from it, which may continue to have significant consequences for our operations, financial position, cash flows, and those of our customers and suppliers;
- changes in our overall strategy, including as related to any restructuring activities and our capital expenditures;
- the impact of shifts in prices or margins of the products that we sell or services we provide;
- the impact of competition and new technologies;
- impairments of goodwill or other intangible assets in respect of companies that we acquire;
- the extent of our success at efficiently and successfully integrating the operations of various companies that we have acquired or may acquire;
- global market, political and economic conditions, and in the countries in which we operate in particular;
- government regulations and approvals;
- litigation and regulatory proceedings;

- infringement of our intellectual property rights by others (including for replication and sale of consumables for use in our systems), or infringement of others' intellectual property rights by us;
- the extent of our success at maintaining our liquidity and financing our operations and capital needs;
- impact of tax regulations on our results of operations and financial conditions; and
- those factors referred to in Item 3.D, "Key Information - Risk Factors", Item 4, "Information on the Company", and Item 5, "Operating and Financial Review and Prospects" in our 2020 Annual Report, as supplemented herein, as well as in other portions of the 2020 Annual Report

Readers are urged to carefully review and consider the various disclosures made throughout the Form 6-K, our 2020 Annual Report, and in our other reports filed with or furnished to the SEC, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Reference is made to Item 11, "Quantitative and Qualitative Disclosures about Market Risk" in our 2020 Annual Report.

LEGAL PROCEEDINGS

We are subject to various litigation and other legal proceedings from time to time. For a discussion of our litigation status, see Note 12-"Contingencies" in the notes to our unaudited condensed consolidated interim financial statements attached as Exhibit 99.1 to the Form 6-K.

RISK FACTORS

The global COVID-19 health pandemic has adversely affected and could potentially severely adversely affect, our business, results of operations and financial condition due to impacts on the industries in which our customers operate, as well as impacts from actions taken to contain the disease or treat its impact, and due to the unknown speed and extent of the recovery from the disease.

The COVID-19 global pandemic continues to have numerous adverse effects on the global economy. While a significant portion of many Western countries' adult citizens have been vaccinated against the virus, the new Delta variant of the virus is more contagious than the original strain and has shown to be capable of spreading even among vaccinated populations. Governmental shutdowns and "shelter-in-place" orders suggested or mandated by governmental authorities or otherwise elected by companies as a preventative measure, continue to adversely affected workforces, customers, consumer sentiment, economies and certain financial markets, and, along with decreased consumer spending, have adversely impacted many of the markets into which we sell our products and services.

Those effects of the pandemic have adversely impacted our financial results for our operations in all global regions, beginning already in the first quarter of 2020 and continuing, to a certain extent, through the third quarter of 2021.

While we have imposed counter-measures to try to mitigate the impact of the pandemic on our operating results and our results have shown improvement concurrently with recovery in some of the markets into which we sell, there is no certainty that the success of those measures and that recovery will continue, especially in light of the entry of the Delta variant into the population in some of those markets. We continue to monitor the cost-control measures that we first began to implement in February 2020. We have maintained in place certain cost reduction mechanisms, although we have eliminated others, such as our four-day work week, as we returned to a full work week, effective as of the start of 2021.

While we continue to monitor the situation, assessing further implications for our operations, supply chain, liquidity, cash flow and customer orders, and have implemented the foregoing measures in an effort to mitigate adverse consequences, while simultaneously abiding by any government-imposed restrictions, market by market, and have seen improved results, there is no assurance that we can continue to succeed at doing so.

In addition to the adverse impact of the COVID-19 pandemic on our business and operating results, we furthermore face uncertainty as to the degree and duration of that impact going forward, and as to the degree of recovery from it. We do not know the length of time that the pandemic and related disruptions will continue, the impact of governmental regulations or easement of regulations in response to the strengthening or weakening of the pandemic, and the degree of overall potentially permanent changes in consumer behavior that may be caused by the pandemic. The pandemic may furthermore contribute towards global economic weakness that is more than temporary and that could adversely affect demand for our products and services generally. A future downturn could also have a material adverse impact on our business partners' stability and financial strength. Given the uncertainties associated with COVID-19, it is difficult to fully predict the magnitude of effects on our, and our business partners', business, financial condition and results of operations.

Any limited guidance for 2021 that we have provided or may further provide will lack the certainty that we once had in providing guidance, due to the number of variables surrounding the COVID-19 pandemic and recovery.

The COVID-19 pandemic may also have the effect of amplifying many of the other risks described under the caption "Item 3. Key Information— D. Risk Factors" in our 2020 Annual Report.