

Kornit Digital Reports Third Quarter 2025 Results

November 5, 2025

- Revenue of \$53.1 million, up 5% year over year, above the midpoint of guidance
- Positive adjusted EBITDA of \$1.1 million or 2% adjusted EBITDA margin
- Continued to generate cash from operations
- Expansion of Apollo and Atlas MAX PLUS installations, driving growth in bulk apparel production
- Annual recurring revenue from AIC grew to \$21.5 million in Q3 and \$23.1 million to date, reflecting continued adoption
 of Kornit's usage-based revenue model

ROSH-HA`AYIN, Israel, Nov. 05, 2025 (GLOBE NEWSWIRE) -- Kornit Digital Ltd. ("Kornit" or the "Company") (NASDAQ: KRNT), a global leader in sustainable, on-demand digital fashion and textile production, today announced financial results for the third quarter ended September 30, 2025. The results reflect Kornit's consistent execution of its strategy to accelerate digital adoption in mass apparel production, expand recurring revenues under the All-Inclusive Click (AIC) model, and strengthen its leadership in replacing traditional screen printing with agile, on-demand digital solutions.

"This quarter, we delivered results above the midpoint of our guidance, achieving year-over-year revenue growth and positive cash flow from operations," said Ronen Samuel, Chief Executive Officer of Kornit Digital. "We continue to build momentum in penetrating the bulk apparel market and accelerating the replacement of traditional screen printing with our Apollo and Atlas MAX PLUS systems. In parallel, we are expanding our recurring revenues through our innovative All-Inclusive Click (AIC) model, which is gaining traction across regions and becoming the preferred business model for customers scaling digital production."

Mr. Samuel continued, "We are also extending our reach into high-potential markets such as footwear, where our breakthrough digital solution is already producing more than one million pairs of shoes for leading brands. These achievements reflect the strength of our technology, the scalability of our model, and the execution of our strategy. Kornit is executing with discipline, building a profitable, cash-generating, and recurring business that is shaping the future of on-demand fashion and textile production."

Third Quarter 2025 Results of Operations

- Total revenue for the third quarter of 2025 was \$53.1 million compared with \$50.7 million in the prior year period.
- GAAP gross profit margin for the third quarter of 2025 was 43.5% compared with 47.7% in the prior year period. On a non-GAAP basis, gross profit margin was 45.8% compared with 50.3% in the prior year period.
- GAAP operating expenses for the third quarter of 2025 were \$31.1 million compared with \$31.3 million in the prior year period. On a non-GAAP basis, operating expenses decreased by 3.7% to \$25.8 million compared with the prior year period.
- GAAP net loss for the third quarter of 2025 was \$2.6 million, or (\$0.06) per share, compared with net loss of \$0.9 million, or (\$0.02) per share, for the third quarter of 2024.
- Non-GAAP net income for the third quarter of 2025 was \$4.2 million, or \$0.09 per share, compared with non-GAAP net income of \$5.5 million, or \$0.11 per share, for the third quarter of 2024.
- Adjusted EBITDA for the third quarter of 2025 was \$1.1 million compared with adjusted EBITDA of \$1.5 million for the third quarter of 2024. Adjusted EBITDA margin for the third quarter of 2025 was 2.0% compared with 2.9% for the third quarter of 2024.

Fourth Quarter 2025 Guidance

For the fourth quarter of 2025, the Company expects revenues to be in the range of \$56 million to \$60 million and adjusted EBITDA margin between 7% and 10%.

Third Quarter Earnings Conference Call Information

The Company will host a conference call today at 8:30 a.m. ET, or 3:30 p.m. Israel time, to discuss the results, followed by a question-and-answer session with the investor community.

A live webcast of the call can be accessed at <u>ir.kornit.com</u>. To access the call, participants may dial toll-free at 1-877-407-0792 or 1-201-689-8263. The Israel Toll free number is 1-809-406-247.

To listen to a replay of the conference call, dial toll-free 1-844-512-2921 or 1-412-317-6671 and enter access ID 13755781. The telephonic replay will be available approximately three hours after the completion of the live call until 11:59 pm ET on November 19, 2025. The call will also be available for replay via the webcast link on Kornit's Investor Relations website.

About Kornit Digital

Kornit Digital (NASDAQ: KRNT) is a worldwide market leader in sustainable, on-demand, digital fashion, and textile production technologies. The company offers end-to-end solutions including digital printing systems, inks, consumables, software, and fulfillment services through its global fulfillment network. Headquartered in Israel with offices in the USA, Europe, and Asia Pacific, Kornit Digital serves customers in more than 100 countries and states worldwide. To learn more about how Kornit Digital is boldly transforming the world of fashion and textiles, visit www.kornit.com.

Forward Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. securities laws. Forward-looking statements are characterized by the use of forward-looking terminology such as "will," "expects," "anticipates," "continue," "believes," "should," "intended," "guidance," "preliminary," "future," "planned," or other words. These forward-looking statements include, but are not limited to, statements relating to the Company's objectives, plans and strategies, statements of preliminary or projected results of operations or of financial condition and all statements that address activities, events, or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. 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 duration and severity of adverse macro-economic headwinds that were caused by inflationary pressures and higher interest rates, which have impacted, and may continue to impact, in an adverse manner, the Company's operations, financial position and cash flows, in part due to the adverse impact on the Company's customers and suppliers; the Company's degree of success in developing, introducing and selling new or improved products and product enhancements including specifically the Company's Poly Pro and Presto products, and the Company's Apollo direct-to-garment platform; the extent of the Company's ability to consummate sales to large accounts with multisystem delivery plans; the degree of the Company's ability to fill orders for its systems and consumables; the extent of the Company's ability to increase sales of its systems, ink and consumables; the extent of the Company's ability to leverage its global infrastructure build-out; the development of the market for digital textile printing; the availability of alternative ink; competition; sales concentration; changes to the Company's relationships with suppliers; the extent of the Company's success in marketing; and those additional factors referred to under "Risk Factors" in Item 3.D of the Company's Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on March 28, 2025. Any forward-looking statements in this press release are made as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Discussion Disclosure

The Company presents certain non-GAAP financial measures, in this press release and in the accompanying conference call to discuss the Company's quarterly results. These non-GAAP financial measures reflect adjustments to corresponding GAAP financial measures in order to exclude the impact of the following: share-based compensation expenses; amortization of intangible assets; restructuring expenses; foreign exchange differences associated with ASC 842; and non-cash deferred tax income.

The Company defines "Adjusted EBITDA" as non-GAAP operating income (loss), which reflects the adjustments described in the preceding paragraph, as further adjusted to exclude depreciation expense.

The purpose of the foregoing non-GAAP financial measures is to convey the Company's performance exclusive of non-cash charges and other items that are considered by management to be outside of the Company's core operating results. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Furthermore, the non-GAAP measures are regularly used internally to understand, manage, and evaluate the Company's business and make operating decisions, and the Company believes that they are useful to investors as a consistent and comparable measure of the ongoing performance of the Company's business. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies.

The reconciliation tables included below present a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures.

Investor Contact:
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KORNIT DIGITAL LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

| | Se | September 30, 2025 | | December 31, 2024 | |
|---------------------------|----|-----------------------|-----------|----------------------|--|
| | (1 | Jnaudited) | (Audited) | | |
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | \$ | 38,255 | \$ | 35,003 | |
| Short-term bank deposit | | 337,803 | | 205,934 | |

| Marketable securities | 67,292 | 222,937 |
|---|---------------|---------|
| Trade receivables, net | 64,728 | 65,459 |
| Inventory | 49,002 | 60,342 |
| Other accounts receivable and prepaid expenses | 31,593 | 25,714 |
| Total current assets | 588,673 | 615,389 |
| LONG-TERM ASSETS: | | |
| Marketable securities | 46,455 | 48,086 |
| Deposits and other long-term assets | 14,274 | 10,542 |
| Severance pay fund | 361 | 306 |
| Property,plant and equipment, net | 65,979 | 59,222 |
| Operating lease right-of-use assets | 17,711 | 19,054 |
| Intangible assets, net | 7,194 | 5,721 |
| Goodwill | 29,164 | 29,164 |
| Total long-term assets | 181,138 | 172,095 |
| Total assets | 769,811 | 787,484 |
| LIABILITIES AND SHAREHOLDERS' EQUITY CURRENT LIABILITIES: | | |
| Trade payables | 5,959 | 9,019 |
| Employees and payroll accruals | 12,462 | 13,101 |
| Deferred revenues and advances from customers | 1,732 | 2,339 |
| Operating lease liabilities | 3,741 | 3,311 |
| Other payables and accrued expenses | 21,863 | 16,561 |
| Total current liabilities | 45,757 | 44,331 |
| LONG-TERM LIABILITIES: | | |
| Accrued severance pay | 1,363 | 1,051 |
| Operating lease liabilities | 14,953 | 15,065 |
| Other long-term liabilities | 92 | 138 |
| Total long-term liabilities | 16,408 | 16,254 |
| SHAREHOLDERS' EQUITY | 707,646 | 726,899 |
| Total liabilities and shareholders' equity | \$ 769,811 \$ | 787,484 |

KORNIT DIGITAL LTD. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except share and per share data)

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | | |
|------------------------|-------------------------------------|---------|--------|------------------------------------|---------|----------|---------|
| | 2025 | inei 30 | 2024 | | 2025 | ilbei 30 | 2024 |
| | (Una | udited) | | | (Una | udited) | |
| Revenues | | | | | | | |
| Products | \$ 38,134 | \$ | 36,996 | \$ | 110,412 | \$ | 100,375 |
| Services | 15,000 | | 13,736 | | 38,933 | | 42,754 |
| Total revenues | 53,134 | | 50,732 | | 149,345 | | 143,129 |
| Cost of revenues | | | | | | | |
| Products | 16,155 | | 14,647 | | 49,735 | | 43,609 |
| Services | 13,890 | | 11,875 | | 35,977 | | 38,887 |
| Total cost of revenues | 30,045 | | 26,522 | | 85,712 | | 82,496 |

| Operating expenses: Research and development, net 9,013 9,973 27,434 31,797 Sales and marketing 14,221 14,441 44,163 43,213 General and administrative 7,907 6,919 23,025 21,728 Total operating expenses 31,141 31,333 94,622 96,738 Operating loss (8,052) (7,123) (30,989) (36,105) Financial income, net 5,540 6,720 16,388 18,501 Loss before taxes on income (2,512) (403) (14,601) (17,604) Net loss \$ (2,592) 9080 (15,169) (19,016) Basic loss per share \$ (0,06) (0,02) (0,03) 47,583,631 Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Weighted average number of shares used in computing diluted net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 | Gross profit | 23,089 | 24,210 | | 63,633 | | 60,633 |
|---|--|----------------|--------------|----|------------|----|------------|
| Sales and marketing 14,221 14,441 44,163 43,213 General and administrative 7,907 6,919 23,025 21,728 Total operating expenses 31,141 31,333 94,622 96,738 Operating loss (8,052) (7,123) (30,989) (36,105) Financial income, net 5,540 6,720 16,388 18,501 Loss before taxes on income 80 505 568 1,412 Net loss \$ (2,592) 908) (15,169) (19,016) Basic loss per share \$ (0.06) (0.02) (0.33) (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) (0.02) (0.33) (0.40) | Operating expenses: | | | | | | |
| General and administrative 7,907 6,919 23,025 21,728 Total operating expenses 31,141 31,333 94,622 96,738 Operating loss (8,052) (7,123) (30,989) (36,105) Financial income, net 5,540 6,720 16,388 18,501 Loss before taxes on income (2,512) (403) (14,601) (17,604) Taxes on income 80 505 568 1,412 Net loss \$ (2,592) 908) (15,169) (19,016) Basic loss per share \$ (0.06) (0.02) (0.33) (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) (0.02) (0.33) (0.40) | Research and development, net | 9,013 | 9,973 | | 27,434 | | 31,797 |
| Total operating expenses 31,141 31,333 94,622 96,738 Operating loss (8,052) (7,123) (30,989) (36,105) Financial income, net Loss before taxes on income 5,540 6,720 16,388 18,501 Loss before taxes on income 80 505 568 1,412 Net loss \$ (2,592) 9080 \$ (15,169) (19,016) Basic loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares used in computing basic net loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) | Sales and marketing | 14,221 | 14,441 | | 44,163 | | 43,213 |
| Operating loss (8,052) (7,123) (30,989) (36,105) Financial income, net Loss before taxes on income 5,540 6,720 16,388 18,501 Loss before taxes on income (2,512) (403) (14,601) (17,604) Taxes on income 80 505 568 1,412 Net loss \$ (2,592) (908) (15,169) (19,016) Basic loss per share \$ (0.06) (0.02) (0.33) (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) (0.02) (0.33) (0.40) | General and administrative | 7,907 | 6,919 | | 23,025 | | 21,728 |
| Financial income, net Loss before taxes on income 5,540 6,720 16,388 18,501 Loss before taxes on income (2,512) (403) (14,601) (17,604) Taxes on income 80 505 568 1,412 Net loss \$ (2,592) (908) (15,169) (19,016) Basic loss per share \$ (0.06) (0.02) (0.33) (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) (0.02) (0.33) (0.40) | Total operating expenses | 31,141 | 31,333 | | 94,622 | | 96,738 |
| Loss before taxes on income (2,512) (403) (14,601) (17,604) Taxes on income 80 505 568 1,412 Net loss \$ (2,592) (908) \$ (15,169) \$ (19,016) Basic loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) | Operating loss | (8,052) | (7,123) | | (30,989) | | (36,105) |
| Taxes on income 80 505 568 1,412 Net loss \$ (2,592) \$ (908) \$ (15,169) \$ (19,016) Basic loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) | Financial income, net | 5,540 | 6,720 | | 16,388 | | 18,501 |
| Net loss \$ (2,592) \$ (908) \$ (15,169) \$ (19,016) Basic loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares | Loss before taxes on income | (2,512) | (403) | | (14,601) | | (17,604) |
| Basic loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares | Taxes on income | 80 | 505 | | 568 | | 1,412 |
| Weighted average number of shares used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares | Net loss | \$ (2,592) | \$ (908) | \$ | (15,169) | \$ | (19,016) |
| used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares | Basic loss per share | \$ (0.06) | \$ (0.02) | \$ | (0.33) | \$ | (0.40) |
| used in computing basic net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Diluted loss per share \$ (0.06) \$ (0.02) \$ (0.33) \$ (0.40) Weighted average number of shares | Weighted average number of shares | | | | | | |
| Weighted average number of shares | | 44,908,580 | 47,604,224 | | 45,291,359 | _ | 47,583,631 |
| Weighted average number of shares | | | | | | | |
| | Diluted loss per share | \$ (0.06) | \$ (0.02) | \$ | (0.33) | \$ | (0.40) |
| | | | | | | | |
| used in computing diluted net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 | • | | | | | | |
| | used in computing diluted net loss per share | 44,908,580 | 47,604,224 | _ | 45,291,359 | _ | 47,583,631 |

KORNIT DIGITAL LTD. AND ITS SUBSIDIARIES RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except share and per share data)

| | | Three Months Ended September 30, | | | Nine Months Ended September 30, | | | |
|---|----|-------------------------------------|---------|--------|------------------------------------|---------|---------|---------|
| | | 2025 | | 2024 | | 2025 | | 2024 |
| | | (Unau | ıdited) | | | (Unau | ıdited) | |
| Revenues | \$ | 53,134 | \$ | 50,732 | \$ | 149,345 | \$ | 143,129 |
| GAAP cost of revenues | \$ | 30,045 | \$ | 26,522 | \$ | 85,712 | \$ | 82,496 |
| Cost of product recorded for share-based compensation (1) | | (526) | | (502) | | (1,587) | | (1,494) |
| Cost of service recorded for share-based compensation (1) | | (394) | | (422) | | (1,193) | | (1,294) |
| Intangible assets amortization on cost of product (2) | | (152) | | (231) | | (450) | | (760) |
| Intangible assets amortization on cost of service (2) | | (159) | | (160) | | (479) | | (480) |
| Restructuring expenses (3) | | (29) | | - | | (1,055) | | (914) |
| Non-GAAP cost of revenues | \$ | 28,785 | \$ | 25,207 | \$ | 80,948 | \$ | 77,554 |
| 0.115 | • | 00.000 | • | 04.040 | • | 00.000 | • | 00.000 |
| GAAP gross profit | \$ | 23,089 | \$ | 24,210 | \$ | 63,633 | \$ | 60,633 |
| Gross profit adjustments | | 1,260 | | 1,315 | | 4,764 | | 4,942 |
| Non-GAAP gross profit | \$ | 24,349 | \$ | 25,525 | \$ | 68,397 | \$ | 65,575 |

| Mon-GAAP caretaing expenses S | GAAP operating expenses Share-based compensation (1) Intangible assets amortization (2) Restructuring expenses (3) | \$ | 31,141 (4,704) (75) (547) | \$ | 31,333 (4,431) (87) | \$ | 94,622 (13,920) (223) (547) | \$ | 96,738 (13,884) (262) (757) |
|--|--|----------|------------------------------------|----|---------------------------|----------|--------------------------------------|----------|--------------------------------------|
| Poreign exchange losses associated with ASC 842 201 441 1.736 5.736 5.741 5.716 | Non-GAAP operating expenses | \$ | 25,815 | \$ | 26,815 | \$ | 79,932 | \$ | 81,835 |
| CAAP Taxes on income | | \$ | 201 | | · · | | 1,736 | | 557 |
| Non-cash deferred tax income | Non-GAAP Financial income , net | \$ | 5,741 | \$ | 7,161 | \$ | 18,124 | \$ | 19,058 |
| CAAP Net loss | | \$ | 80 | \$ | | \$ | 568 | | 1,412 - |
| Share sused in computing GAAP diluted net loss per share 44,908,580 47,804,224 45,291,359 47,683,631 6345 6 | Non-GAAP Taxes on income | \$ | 80 | \$ | 332 | \$ | 568 | \$ | 1,412 |
| Restructuring expenses (3) | | \$ | , , , | \$ | , , | \$ | , , | \$ | |
| Restructuring expenses (3) 576 - | • | | • | | • | | • | | |
| Foreign exchange losses associated with ASC 842 | | | | | 470 | | • | | • |
| Non-GAAP net income \$ 4,195 \$ 5,539 \$ 6,021 \$ 1,386 | Foreign exchange losses associated with ASC 842 | | | | | | | | • |
| Case | | \$ | 4.195 | \$ | | \$ | 6.021 | \$ | 1.386 |
| Non-GAAP diluted income per share \$ 0.09 \$ 0.11 \$ 0.13 \$ 0.03 | THE | <u>*</u> | .,,,,,,, | Ť | | <u> </u> | 3,023 | <u> </u> | |
| Shares used in computing GAAP diluted net loss per share | GAAP diluted loss per share | \$ | (0.06) | \$ | (0.02) | \$ | (0.33) | \$ | (0.40) |
| Shares used in computing GAAP diluted net loss per share 44,908,580 47,604,224 45,291,359 47,583,631 Shares used in computing Non-GAAP diluted net income per share 45,241,853 49,988,803 45,701,943 49,166,345 (1) Share-based compensation Cost of product revenues \$ 526 \$ 502 \$ 1,587 \$ 1,494 Cost of service revenues 394 422 1,193 1,294 Research and development 1,194 1,384 3,609 4,055 Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses \$ 15 \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ \$ 1,037 \$ 865 | Non-GAAP diluted income per share | \$ | 0.09 | \$ | 0.11 | \$ | 0.13 | \$ | 0.03 |
| Share 44,906,500 47,004,224 45,291,359 47,305,631 Shares used in computing Non-GAAP diluted net income per share 45,241,853 49,988,803 45,701,943 49,166,345 (1) Share-based compensation Cost of product revenues \$ 526 \$ 502 \$ 1,587 \$ 1,494 Cost of service revenues 394 422 1,193 1,294 Research and development 1,194 1,384 3,609 4,055 Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 General and administrative \$ 5,624 \$ 5,355 \$ 16,700 \$ 16,672 (2) Intangible assets amortization Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 (3) Restructuring expenses 11 \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ | Weighted average number of shares | | | | | | | | |
| Cost of product revenues S S S S S S S S S | , , | | 44,908,580 | _ | 47,604,224 | | 45,291,359 | | 47,583,631 |
| Cost of product revenues \$ 526 \$ 502 \$ 1,587 \$ 1,494 Cost of service revenues 394 422 1,193 1,294 Research and development 1,194 1,384 3,609 4,055 Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 (2) Intangible assets amortization 5,624 5,355 16,700 16,672 (2) Intangible assets amortization 5,624 231 450 760 Cost of product revenues 159 160 479 480 Cost of service revenues 386 478 1,152 1,502 (3) Restructuring expenses 11 - 1,037 865 Cost of product revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 129 332 | | e | 45,241,853 | == | 49,988,803 | | 45,701,943 | | 49,166,345 |
| Cost of service revenues 394 422 1,193 1,294 Research and development 1,194 1,384 3,609 4,055 Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 Separation (2) Intangible assets amortization 5,624 5,355 16,700 16,672 Cost of product revenues 152 231 450 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 Cost of product revenues 138 478 1,152 1,502 (3) Restructuring expenses 11 5 1,037 865 Cost of product revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 | (1) Share-based compensation | | | | | | | | |
| Research and development 1,194 1,384 3,609 4,055 Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 \$ 5,624 \$ 5,355 \$ 16,700 \$ 16,672 (2) Intangible assets amortization Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses \$ 11 \$ - \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues \$ 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 <td< td=""><td></td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td>•</td><td>\$</td><td>•</td></td<> | | \$ | | \$ | | \$ | • | \$ | • |
| Sales and marketing 1,730 1,650 5,098 5,016 General and administrative 1,780 1,397 5,213 4,813 \$ 5,624 \$ 5,355 \$ 16,700 \$ 16,672 (2) Intangible assets amortization Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses \$ 11 \$ - \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | | | | | | | = | | • |
| General and administrative 1,780 1,397 5,213 4,813 \$ 5,624 \$ 5,355 \$ 16,700 \$ 16,672 (2) Intangible assets amortization Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses \$ 11 \$ - \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - \$ 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | • | | • | | • | | = | | • |
| \$ 5,624 \$ 5,355 \$ 16,700 \$ 16,672 | | | | | • | | • | | • |
| (2) Intangible assets amortization Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues \$ 159 \$ 160 \$ 479 \$ 480 Sales and marketing \$ 75 \$ 87 \$ 223 \$ 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues \$ 18 - \$ 18 \$ 49 Research and development \$ 44 - \$ 44 \$ 235 Sales and marketing \$ 374 - \$ 374 \$ 190 General and administrative \$ 129 - \$ 129 \$ 332 | General and administrative | \$ | | \$ | | \$ | _ | \$ | |
| Cost of product revenues \$ 152 \$ 231 \$ 450 \$ 760 Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | (2) Intangible assets amortization | Ψ | 0,024 | Ψ | 0,000 | Ψ | 10,700 | Ψ | 10,072 |
| Cost of service revenues 159 160 479 480 Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | , , , | \$ | 152 | \$ | 231 | \$ | 450 | \$ | 760 |
| Sales and marketing 75 87 223 262 \$ 386 \$ 478 \$ 1,152 \$ 1,502 (3) Restructuring expenses \$ 11 \$ - \$ 1,037 \$ 865 Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | | Ψ | | Ψ | | Ψ | | Ψ | |
| (3) Restructuring expenses Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | | | | | | | | | |
| Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 129 332 | Ç | \$ | 386 | \$ | 478 | \$ | 1,152 | \$ | 1,502 |
| Cost of product revenues \$ 11 \$ - \$ 1,037 \$ 865 Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 129 332 | (3) Restructuring expenses | | | | | | | | |
| Cost of service revenues 18 - 18 49 Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | | \$ | 11 | \$ | - | \$ | 1.037 | \$ | 865 |
| Research and development 44 - 44 235 Sales and marketing 374 - 374 190 General and administrative 129 - 129 332 | | f | | + | - | * | | * | |
| General and administrative 129 - 129 332 | Research and development | | 44 | | - | | 44 | | 235 |
| | Sales and marketing | | 374 | | - | | 374 | | 190 |
| <u>\$ 576</u> <u>\$ -</u> <u>\$ 1,602</u> <u>\$ 1,671</u> | General and administrative | | 129 | | | | | | |
| | | \$ | 576 | \$ | - | \$ | 1,602 | \$ | 1,671 |

KORNIT DIGITAL LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (U.S. dollars in thousands)

Three Months Ended

Nine Months Ended September 30

| | Septe | mber 30, | September 30, | | | |
|--|------------|----------|---------------|-------------|--|--|
| | 2025 | 2024 | 2025 | 2024 | | |
| | (Una | udited) | (Una | udited) | | |
| Cash flows from operating activities: | • | • | · | | | |
| | | | | | | |
| Net loss | \$ (2,592) | \$ (908) | \$ (15,169) | \$ (19,016) | | |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | | | | |
| Depreciation and amortization | 2,931 | 3,219 | 8,707 | 9,734 | | |
| Fair value of warrants deducted from revenues | - | - | - | 3,273 | | |
| Share-based compensation | 5,624 | 5,355 | 16,700 | 16,672 | | |
| Amortization of premium and accretion of discount on marketable securities, net | (224) | (287) | (774) | (278) | | |
| Realized loss on sale and redemption of marketable securities | (36) | - | (58) | - | | |
| Loss from disposal of property and Equipments | 22 | - | 156 | - | | |
| Change in operating assets and liabilities: | | | | | | |
| Trade receivables, net | (271) | 5,329 | 731 | 19,500 | | |
| Other accounts receivables and prepaid expenses | (3,007) | (447) | (5,879) | 1,037 | | |
| Inventory | 675 | 4,094 | 8,275 | 130 | | |
| Operating leases right-of-use assets and liabilities, net | 231 | 339 | 1,661 | (236) | | |
| Deposits and other long term assets | (185) | | (3,732) | (1,659) | | |
| Trade payables | (4,045) | | (3,952) | (1,706) | | |
| Employees and payroll accruals | (666) | | 988 | 1,436 | | |
| Deferred revenues and advances from customers | 166 | 55 | (607) | (617) | | |
| | | (3,880) | 6,584 | | | |
| Other payables and accrued expenses | 4,885 | (' ' | · | (6,070) | | |
| Accrued severance pay, net | 874 | 4 (20) | 257 | (58) | | |
| Other long - term liabilities | (34) | | (46) | (80) | | |
| Net cash provided by operating activities | 4,348 | 13,554 | 13,842 | 22,062 | | |
| Cash flows from investing activities: | | | | | | |
| Purchase of property, plant and equipment and capitalized software development costs | (3,557) | (10,497) | (13,136) | (13,220) | | |
| Proceeds from (investment in) short-term bank deposits, net | (31,366) | 73,995 | (131,869) | 66,199 | | |
| Proceeds from sales and redemption of marketable | 7 000 | 7,000 | 12.060 | 10.404 | | |
| securities | 7,000 | 7,000 | 13,060 | 10,494 | | |
| Proceeds from maturities of marketable securities | 64,278 | 8,750 | 207,400 | 44,629 | | |
| Investment in marketable securities | (27,648) | (1,282) | (60,226) | (45,901) | | |
| Net cash provided by investing activities | 8,707 | 77,966 | 15,229 | 62,201 | | |
| Cash flows from financing activities: | | | | | | |
| Formities of constitute about 19 | | 4 | 000 | 400 | | |
| Exercise of employee stock options | 40 | 115 | 808 | 122 | | |
| Payments related to shares withheld for taxes | (258) | (296) | (1,627) | (1,074) | | |
| Repurchase of ordinary shares | | <u> </u> | (25,000) | (9,055) | | |
| Net cash used in financing activities | (218) | (181) | (25,819) | (10,007) | | |
| | | | | | | |
| Increase in cash and cash equivalents | 12,837 | 91,339 | 3,252 | 74,256 | | |

25,418

22,522

35,003

39,605

Cash and cash equivalents at the beginning of the period

| Cash and cash equivalents at the end of the period | \$ 38,255 | \$ 113,861 | \$ 38,255 | \$ 113,861 |
|---|-----------|------------|-----------|------------|
| | | | | |
| | | | | |
| Non-cash investing and financing activities: | | | | |
| Purchase of property and equipment on credit | 1,139 | 145 | 1,139 | 145 |
| Inventory transferred to be used as property and equipment | 346 | 175 | 3,299 | 1,576 |
| Property, plant and equipment transferred to be used as inventory | - | - | 234 | 320 |
| Lease liabilities arising from obtaining right-of-use assets | 175 | 337 | 1,258 | (1,071) |
| | | | | |

KORNIT DIGITAL LTD. AND ITS SUBSIDIARIES RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

(U.S. dollars in thousands, except share and per share data)

| | Three Months Ended | | | | Nine Months Ended | | | | |
|--------------------------------|--------------------|-------------|----|---------|-------------------|---------------|----|----------|--|
| | September 30, | | | | | September 30, | | | |
| | | 2025 | | 2024 | | 2025 | | 2024 | |
| | | (Unaudited) | | | | | | | |
| GAAP Revenues | \$ | 53,134 | \$ | 50,732 | \$ | 149,345 | \$ | 143,129 | |
| GAAP Net loss | | (2,592) | | (908) | | (15,169) | | (19,016) | |
| Taxes on income | | 80 | | 505 | | 568 | | 1,412 | |
| Financial income | | (5,540) | | (6,720) | | (16,388) | | (18,501) | |
| Share-based compensation | | 5,624 | | 5,355 | | 16,700 | | 16,672 | |
| Intangible assets amortization | | 386 | | 478 | | 1,152 | | 1,502 | |
| Restructuring expenses | | 576 | | - | | 1,602 | | 1,671 | |
| Non-GAAP Operating loss | | (1,466) | | (1,290) | | (11,535) | | (16,260) | |
| Depreciation | | 2,545 | | 2,741 | | 7,555 | | 8,232 | |
| Adjusted EBITDA | \$ | 1,079 | \$ | 1,451 | \$ | (3,980) | \$ | (8,028) | |