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 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2017

Commission File Number 001-36903

KORNIT DIGITAL LTD.

(Translation of Registrant's name into English)

12 Ha'Amal Street
Park Afek
Rosh Ha'Ayin 4824096 Israel
(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 o

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): o

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): o

EXPLANATORY NOTE

This Report of Foreign Private Issuer on Form 6-K (this "**Form 6-K**") is being furnished by Kornit Digital Ltd. ("**Kornit Digital**") to the Securities and Exchange Commission (the "**SEC**") for the sole purposes of: (i) furnishing, as Exhibit 99.1 to this Form 6-K, unaudited interim consolidated financial statements of Kornit Digital as of, and for the six month period ended June 30, 2017 (the "**Financial Statements**"); and (ii) furnishing, as Exhibit 99.2 to this Form 6-K, Management's Discussion and Analysis of Financial Condition and Results of Operations, which discusses and analyzes Kornit Digital's financial condition and results of operations as of, and for, the six month period ended June 30, 2017.

The foregoing six-month unaudited condensed interim consolidated financial statements of Kornit Digital, together with the Management's Discussion and Analysis of Financial Condition and Results of Operations covering that six month period, are incorporated by reference into Kornit Digital's registration statement on Form F-3 (File No. 333-215404) and Kornit Digital's registration statements on Form S-8 (File Nos. 333-203970, 333-214015 and 333-217039).

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

Exhibit Number	**Document Description**
EX-101.INS	XBRL Taxonomy Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema Document
EX-101.CAL	XBRL Taxonomy Calculation Linkbase Document
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
EX-101.LAB	XBRL Taxonomy Label Linkbase Document
EX-101.PRE	XBRL Taxonomy Presentation Linkbase Document

The XBRL related information in Exhibit 101 to this Form 6-K shall not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

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.

	KORNIT DIGITAL LTD.	
Date :September 5, 2017	By:	/s/ Guy Avidan
	Name:	Guy Avidan
	Title:	Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Unaudited condensed interim consolidated financial statements of the registrant as of, and for, the six month period ended June 30, 2017
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations of the registrant as of, and for, the six month period ended June 30, 2017
EX-101.INS	XBRL Taxonomy Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema Document
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KORNIT DIGITAL LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2017

UNAUDITED

U.S. DOLLARS IN THOUSANDS

INDEX

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CONSOLIDATED BALANCE SHEETS (Unaudited)

U.S. dollars in thousands

	June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 25,707	$ 22,789
Marketable securities	2,657	16,500
Trade receivables, net	29,193	31,638
Inventories	32,880	24,122
Other accounts receivable and prepaid expenses	2,991	3,735
Total current assets	93,428	98,784
Marketable securities	60,955	21,724
Severance pay fund	599	768
Property and equipment, net	11,204	9,247
Goodwill	5,092	5,092
Intangible assets, net	2,658	3,385
Other assets	1,041	1,046
Total long-term assets	81,549	41,262
Total assets	$ 174,977	$ 140,046

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

CONSOLIDATED BALANCE SHEETS (Unaudited)

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

	June 30, 2017	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 14,440	$ 16,433
Employees and payroll accruals	5,119	5,918
Deferred revenues and advances from customers	1,020	1,679
Other payables and accrued expenses	5,622	6,103
Total current liabilities	26,201	30,133
LONG TERM LIABILITIES:		
Accrued severance pay	1,128	1,269
Payment obligation related to acquisition	312	1,070
Other long-term liabilities	757	386
Total long-term liabilities	2,197	2,725
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.01 par value – Authorized: 200,000,000 shares as of December 31, 2016 and June 30, 2017 (Unaudited); Issued and Outstanding: 30,989,873 shares and 33,735,038 shares as of December 31, 2016 and June 30, 2017 (Unaudited), respectively	84	78
Additional paid in capital	135,754	94,966
Accumulated other comprehensive income (loss)	106	(82)
Retained earnings	10,635	12,226
Total shareholders' equity	146,579	107,188
Total liabilities and shareholders' equity	$ 174,977	$ 140,046

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

U.S. dollars in thousands, except per share data

	Six months ended June 30, 2017	Six months ended June 30, 2016
Revenues	$ 55,691	$ 45,787
Cost of revenues	30,631	23,625
Gross profit	25,060	22,162
Operating expenses:		
Research and development	9,342	7,896
Selling and marketing	10,829	8,772
General and administrative	6,138	5,528
Restructuring expenses	93	-
Total operating expenses	26,402	22,196
Operating loss	(1,342)	(34)
Finance income, net	93	96
Income (loss) before taxes on income	(1,249)	62
Taxes on income	273	415
Net loss	$ (1,522)	$ (353)
Basic and diluted net loss per share	$ (0.05)	$ (0.01)

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

U.S. dollars in thousands

	Six months ended June 30, 2017	Six months ended June 30, 2016
Net loss	$ (1,522)	$ (353)
Other comprehensive income (loss):		
Marketable securities:		
Unrealized gains arising during the period	69	367
Reclassification adjustments for gain included in net loss	(29)	(3)
Net change	40	364
Cash flow hedges:		
Unrealized gains arising during the period	390	102
Reclassification adjustments for gain included in net loss	(369)	(22)
Net change	21	80
Foreign currency translation adjustment	127	69
Total other comprehensive income	188	513
Comprehensive income (loss)	$ (1,334)	$ 160

The accompanying notes are an integral part of the unaudited interim financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

U.S. dollars in thousands

	Six months ended June 30, 2017	Six months ended June 30, 2016
Cash flows used in operating activities:		
Net loss	$ (1,522)	$ (353)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,427	1,110
Customer incentive warrants deducted from revenues	2,353	-
Share-based compensation	1,948	1,462
Amortization of premium and accretion of discount on marketable securities	277	221
Realized gain on sale of marketable securities	(29)	(3)
Increase (decrease) in accrued severance pay, net	28	-
Decrease (increase) in trade receivables	2,894	(3,560)
Decrease in other receivables and prepaid expenses	747	491
Increase in inventories	(8,652)	(5,003)
Change in deferred taxes, net	(183)	(132)
Decrease (increase) in other assets	194	(13)
Decrease in trade payables	(2,060)	(1,680)
Decrease in employees and payroll accruals	(833)	(260)
Increase (decrease) in deferred revenues and advances from customers	(692)	203
Increase in other payables and accrued expenses	122	852
Increase (decrease) in other long-term liabilities	369	(45)
Loss from sale of property and equipment	29	-
Foreign currency translation loss on inter company balances with foreign subsidiaries	(595)	(82)
Net cash used in operating activities	(3,178)	(6,792)
Cash flows used in investing activities:		
Purchase of property and equipment	(3,431)	(1,533)
Proceeds from bank deposits, net	-	3,999
Proceeds from maturity of marketable securities	6,740	2,500
Proceeds from sale of marketable securities	38,312	1,523
Purchase of marketable securities	(70,648)	(7,131)
Net cash used in investing activities	(29,027)	(642)
Cash flows provided by financing activities:		
Proceeds from issuance of ordinary shares in a follow on offering, net	35,077	-
Exercise of employee stock options	1,347	273
Payment of contingent consideration	(1,400)	-
Net cash provided by financing activities	35,024	273
Foreign currency translation adjustments on cash and cash equivalents	99	6
Increase (decrease) in cash and cash equivalents	2,819	(7,161)
Cash and cash equivalents at the beginning of the period	22,789	18,464
Cash and cash equivalents at the end of the period	$ 25,707	$ 11,309

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,	
	2017	**2016**
	Unaudited	
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment acquired in credit	$ 863	$ 373
Inventory transferred to be used as property and equipment	$ 167	$ 799

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1:- GENERAL

a. Kornit Digital Ltd. (the "Company") was incorporated in 2002 under the laws of the State of Israel. The Company and its subsidiaries develop, design and market digital printing solutions for the global printed textile industry. The Company's and its subsidiaries' solutions are based on their proprietary digital textile printing systems, ink and other consumables, associated software and value added services.

b. The Company has established wholly-owned subsidiaries in Israel, the United States, Germany and Hong Kong. The Company's subsidiaries are engaged primarily in sales, and marketing, except for the Israeli subsidiary which is engaged primarily in research and development and manufacturing.

c. On January 31, 2017 the Company closed a follow on and secondary offering where by 8,625,000 ordinary shares were sold in the transaction to the public, 2,300,000 were sold by the Company and 6,325,000 were sold by the Selling Shareholders (inclusive of 1,125,000 ordinary shares pursuant to the full exercise of an overallotment option granted to the underwriters). The gross proceeds received by the Company from the offering were $36,058, net of underwriting discounts and commissions, offering expenses to be paid by the Company were $981.

d. On May 15, 2017 the Company made an underwritten secondary offering of 4,250,000 ordinary shares by the Company's largest shareholder. The Company did not receive any of the proceeds from the sale of the ordinary shares.

e. During the six months ended June 30, 2017 and 2016, 29% and 48% of the Company's revenues were driven from two and three major customers, respectively.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Unaudited interim consolidated financial statements:

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information. In the opinion of management, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for a fair presentation of the Company's consolidated financial statements.

The balance sheet at December 31, 2016 has been derived from the audited consolidated financial statements of the Company at that date but does not include all of information and footnotes required by U.S. GAAP for complete financial statements.

The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2016, included in the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") on March 30, 2017. Results for the six months ended June 30, 2017 are not necessarily indicative of results that may be expected for the year ending December 31, 2017.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

b. Use of estimates:

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. The Company's management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. Actual results could differ from those estimates.

c. Impact of recently issued accounting standard:

1. In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment." This ASU eliminates the requirement to measure the implied fair value of goodwill by assigning the fair value of a reporting unit to all assets and liabilities within that unit (the "Step 2 test") from the goodwill impairment test. Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited by the amount of goodwill in that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the qualitative impairment test is necessary. This new standard should be applied on a prospective basis and the nature of and reason for the change in accounting principle should be disclosed upon transition. The amendments in this update should be adopted for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted on testing dates after January 1, 2017. The Company is currently evaluating the impact of adopting the new guidance on the consolidated financial statements and the timing of adoption.

2. In January 2017, the FASB issued ASU No. 2017-01 Business Combinations (Topic 805): Clarifying the Definition of a Business. The update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company is currently evaluating the effect of this standard on future consolidated financial statements

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

3. In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-09—Compensation—Stock Compensation—Improvements to Employee Share-Based Payment Accounting. The new guidance changes the accounting for certain aspects of stock-based payments to employees and requires excess tax benefits and tax deficiencies to be recorded in the income statement when the awards vest or are settled. In addition, cash flows related to excess tax benefits will no longer be separately classified as a financing activity apart from other income tax cash flows. ASU 2016-09 also allows us to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting, clarifies that all cash payments made on an employee's behalf for withheld shares should be presented as a financing activity on our cash flows statement, and provides an accounting policy election to account for forfeitures as they occur.

   We elected to adopt the new guidance on January 1, 2017. Under the new guidance, we have elected to change our policy and have started to recognize forfeitures of awards as they occur. The change in forfeiture policy use a modified retrospective transition method. We recorded a cumulative-effect adjustment to decrease retained earnings by $69 upon transition on January 1, 2017.

4. Leases - In February 2016, FASB issued Accounting Standard Update ("ASU") No. 2016-02, "Leases". The updated standard aims to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and requiring disclosure of key information about leasing arrangements. This update is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods; early adoption is permitted and modified retrospective application is required. The Company is in the process of evaluating this guidance to determine the impact it will have on its consolidated financial statements.

5. Financial Instruments - In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"), which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Company beginning in its first quarter of 2019. The Company does not believe the adoption of ASU 2016-01 will have a material impact on its consolidated financial statements.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

6. Revenue Recognition - In May 2014, the FASB issued an ASU that provides a comprehensive model for recognizing revenue with customers. This update clarifies and replaces all existing revenue recognition guidance within U.S. GAAP and may be adopted retrospectively for all periods presented or adopted using a modified retrospective approach. This update is effective for annual and interim periods beginning after December 15, 2016. In July 2015, FASB deferred the effective date by one year to December 15, 2017 (beginning with the Company's first quarter in 2018) and permitting early adoption of the standard, but not before the original effective date of December 15, 2016. The Company will adopt the new standard in the first quarter of 2018 and expects to apply the modified retrospective approach. The Company currently does not believe there will be a material impact to its revenues upon adoption. However, the Company continues to evaluate the impact to its revenues related to the pending adoption of Topic 606 and its preliminary assessments are subject to change.

7. In June 2016, the FASB issued ASU 2016-13 "Measurement of Credit Losses on Financial Instruments" requiring an allowance to be recorded for all expected credit losses for financial assets. The allowance for credit losses is based on historical information, current conditions and reasonable and supportable forecasts. The new standard also makes revisions to the other than temporary impairment model for available-for-sale debt securities. Disclosures of credit quality indicators in relation to the amortized cost of financing receivables are further disaggregated by year of origination. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2019 with early adoption permitted for interim and annual periods beginning after December 15, 2018. The amendments will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on its net income.

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

NOTE 3:- MARKETABLE SECURITIES

The following is a summary of marketable securities:

	June 30, 2017 Unaudited			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Fair value
Matures within one year:				
Corporate debentures	$ 2,663	$ 2	$ (8)	$ 2,657
Matures after one year through three years:				
Corporate debentures	49,843	68	(111)	49,800
Government debentures	11,166	2	(13)	11,155
Total	$ 63,672	$ 72	$ (132)	$ 63,612

	December 31, 2016			
	Amortized cost	Gross unrealized gain	Gross unrealized loss	Fair value
Matures within one year:				
Corporate debentures	$ 16,526	$ 2	$ (28)	$ 16,500
Matures after one year through three years:				
Corporate debentures	21,798	5	(79)	21,724
Total	$ 38,324	$ 7	$ (107)	$ 38,224

All investments with an unrealized loss as of June 30, 2017 are with continuous unrealized losses for less than 12 months.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 4:- FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification ("ASC") No. 820, "Fair Value Measurements and Disclosures" defines fair value and establishes a framework for measuring fair value. According to ASC No. 820, fair value is an exit price, representing the amount that would be received for selling an asset or paid for the transfer of a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level I: Unadjusted quoted prices in active markets that are accessible on the measurement date for identical, unrestricted assets or liabilities;

Level II: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level III: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company measures its marketable securities, foreign currency derivative contracts and the contingent payments obligation in connection with acquisition (the "Contingent Payments") at fair value. Marketable securities and foreign currency derivative contracts are classified within Level II as the valuation inputs are based on quoted prices and market observable data of similar instruments. The Contingent Payments are classified within level III as the valuation inputs are based on significant inputs not observable in the market.

The below table sets forth the Company's assets and liabilities that were measured at fair value as of June 30, 2017 and December 31, 2016 by level within the fair value hierarchy.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	As of June 30, 2017			
	Unaudited			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	-	$ 63,612	-	$ 63,612
Foreign currency derivative contracts	-	88	-	88
Total financial assets	-	$ 63,700	-	$ 63,700
Liabilities:				
Payment obligation related to acquisition	-	-	$ 1,151	$ 1,151
Total liabilities	-	-	$ 1,151	$ 1,151

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands, except share and per share data

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

	As of December 31, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Marketable securities	-	$ 38,224	-	$ 38,224
Foreign currency derivative contracts	-	3	-	3
Total financial assets	-	$ 38,227	-	$ 38,227
Liabilities:				
Payment obligation related to acquisition	-	-	$ 1,070	$ 1,070
Total liabilities	-	-	$ 1,070	$ 1,070

The following table set forth the change of fair value measurements that are categorized within Level 3:

Total fair value as of January 1, 2017	$ 1,070
Accretion of payments obligation	81
Total fair value as of June 30, 2017 (Unaudited)	$ 1,151

The fair value of the payment obligation related to acquisition was estimated based several factors of which the most significant is the Company's revenue projections. The Company used a Monte Carlo Simulation of the triangular model with a discount rate of 15%. Payment obligation related to acquisition are revalued to current fair value at each reporting date. Any change in the fair value as a result of time passage is recognized in the financial expenses; any other changes in significant inputs such as the discount rate, the discount period or other factors used in the calculation, is recognized in operation expenses in the consolidated results of operations in the period the estimated fair value changes. Payment obligation related to acquisition will continue to be accounted for and measured at fair value until the contingencies are settled during fiscal years 2017 and 2018. Accretion of the payment obligation related to acquisition is included in financial expenses, net.

NOTE 5:- INVENTORIES

	June 30, 2017 (Unaudited)	**December 31, 2016**
Raw materials and components	$ 16,650	$ 12,322
Finished products (*)	16,230	11,800
	$ 32,880	$ 24,122

(*) Inventory write-off amounted to $1,333 and $265 for the six months ended June 30, 2017 and 2016, respectively.

NOTE 6:- DERIVATIVES AND HEDGING ACTIVITIES

The Company follows FASB ASC No. 815," Derivatives and Hedging" which requires companies to recognize all of their derivative instruments as either assets or liabilities in the statement of financial position at fair value. Accounting for changes in fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging transaction and further, on the type of hedging transaction. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation. Due to the Company's global operations, it is exposed to foreign currency exchange rate fluctuations in the normal course of its business. The Company used derivative financial instruments, specifically foreign currency forward and option contracts ("Hedging Contracts"), to manage exposure to foreign currency risks, by hedging a portion of the Company's forecasted expenses denominated in New Israeli Shekels expected to incur within a year. The effect of exchange rate changes on foreign currency hedging contracts is expected to partially offset the effect of exchange rate changes on the underlying hedged item

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains or losses from contracts that were not designated as hedging instruments are recognized in "financial income (expenses), net".

As of June 30, 2017 and December 31, 2016, the notional principal amount of the Hedging Contracts to sell U.S. dollars held by the Company was $2,192 (unaudited) and $8,636, respectively.

As of June 30, 2017, the fair value of the Company's outstanding derivatives designated as cash flow hedging instruments was $88 (unaudited) which is included within "Other accounts receivable and prepaid expenses" in the balance sheet.

As of December 31, 2016, the fair value of the Company's outstanding derivatives designated as cash flow hedging instruments was $3 which is included within "Other accounts receivable and prepaid expenses" in the balance sheet.

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES

a. Charges:

As of June 30, 2017, the Company has two lines of credit with Israeli banks for total borrowings of up to $3 million, all of which was undrawn as of June 30, 2017. These lines of credit are unsecured and available subject to the Company maintenance of a 30% ratio of total tangible shareholders' equity to total tangible assets and that the total credit use will be less than 70% of the Company and its subsidiaries' receivables. Interest rates across these credit lines varied from 0.2% to 2.3% as of June 30, 2017.

b. Purchase commitments:

As of June 30, 2017, the Company estimates purchase commitments from vendors in the amount of $11,491.

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

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES (Cont.)

c. Litigation:

From time to time, the Company is party to various legal proceedings, claims and litigation that arise in the normal course of business. It is the opinion of management that the ultimate outcome of these matters will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

d. Royalty Commitments:

Under the Company's agreement for purchasing print heads and other products, which was amended and restated in 2015, the Company is obligated to pay royalties at a rate set forth in the agreement up to an agreed maximum amount of the Company's annual ink revenues.

Royalty expenses for the six months ended June 30, 2017 and 2016 were $312.

e. Guarantees:

As of June 30, 2017, the Company provided two bank guarantees in a total amount of $393 for its rented facilities.

NOTE 8:- EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted net earnings per share:

	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited	
Numerator for basic and diluted net earnings per share:		
Net loss	$ (1,522)	$ (353)
Weighted average shares outstanding, net of treasury stock:		
Denominator for basic and diluted net loss per share	33,151,633	30,420,165
Basic and diluted net loss per share	$ (0.05)	$ (0.01)

The Company in a loss position and all of its securities are antidilutive.

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

NOTE 9:- SHAREHOLDERS' EQUITY

Share based compensation

a. The fair value for options granted in the periods presented is estimated at the date of grant using a binomial option-pricing model with the following weighted average assumptions:

	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited	
Suboptimal exercise multiple	1.0-1.5	1.0
Risk free interest rate	2.26%-2.32%	1.7%-1.83%
Volatility	52%-53%	55%-56%
Dividend yield	0%	0%

b. The following is a summary of the Company's stock options activity for the six months ended June 30, 2017:

	Number of shares upon exercise	Weighted Average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (1)
	Unaudited			
Outstanding as of December 31, 2016	2,733,166	$ 7.01	7.78	$ 16,054
Granted	35,000	19.96	9.80	
Exercised	445,165	3.13	4.75	
Forfeited	52,253	8.66	7.76	
Outstanding as of June 30, 2017	2,270,748	$ 8.01	7.88	$ 25,950
Exercisable as of June 30, 2017	872,938	$ 5.73	6.88	$ 11,892

(1) Calculation of aggregate intrinsic value for options outstanding and exercisable as of June 30, 2017 is based on the share price of the Company's ordinary shares as of June 30, 2017 which was $19.35 per share.

The weighted average fair value of options granted during the six months ended June 30, 2017 was $10.81.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 9:- SHAREHOLDERS' EQUITY (Cont.)

c. During the six months ended June 30, 2017, the Company granted 3,300 RSUs. The weighted average fair value and contractual life of the RSUs was $21.15 and 9.86, respectively.

d. The following table shows the total share-based compensation expense included in the interim consolidated statements of operations:

	Six months ended June 30,	
	2017	**2016**
	Unaudited	
Cost of revenues	$ 287	$ 206
Research and development	297	156
Selling and marketing	430	332
General and administrative	934	768
Total share-based compensation expense	$ 1,948	$ 1,462

On January 10, 2017 the Company had signed a master purchase agreement with Amazon Inc. for 2,932,176 warrants to purchase ordinary shares of the Company in exercise price of $13.03. The warrants are subject to vesting as a function of payments for purchased products and services of up to $150 million over a five years period beginning on May 1, 2016, with the shares vesting incrementally each time Amazon makes a payment totaling $5 million to the Company.

The Company utilizes a Monte Carlo simulation approach to estimate the fair value of the warrants, which requires inputs such as common ordinary share, the warrant strike price, estimated ordinary share price volatility and risk-free interest rate, among others. The Company recognized a reduction to revenues of $2.4 million during the six months ended June 30, 2017.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 10:- ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes the changes in accumulated balances of other comprehensive income (loss):

	Unrealized gain (loss) on available-for-sale marketable securities	Unrealized gain (loss) on cash flow hedges	Foreign currency translation adjustment	Total
	Unaudited			
Six months ended June 30, 2017:				
Beginning balance	$ (100)	$ 3	$ 15	$ (82)
Other comprehensive income before reclassifications	69	390	127	586
Amounts reclassified from accumulated other comprehensive loss	(29)	(369)	-	(398)
Net current period other comprehensive income loss	40	21	127	188
Ending Balance	$ (60)	$ 24	$ 142	$ 106

NOTE 11:- SELECTED STATEMENTS OF INCOME DATA

Financial income, net:

	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited	
Financial income:		
Interest on bank deposits and other	$ 36	$ 126
Foreign currency translation differences	1,332	192
Interest on marketable securities	902	512
	2,270	830
Financial expenses:		
Bank charges	(148)	(136)
Foreign currency translation differences	(1,752)	(377)
Amortization of premium and accretion of discount on marketable securities	(277)	(221)
	(2,177)	(734)
Total financial income	$ 93	$ 96

Exhibit 99.2

KORNIT DIGITAL LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the Six Months Ended June 30, 2017

Comparison of Period to Period Results of Operations

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	(in thousands)	
Revenues, net	$ 55,691	$ 45,787
Cost of revenues	30,631	23,625
Gross profit	25,060	22,162
Operating expenses:		
Research and development	9,342	7,896
Sales and marketing	10,829	8,772
General and administrative	6,138	5,528
Restructuring expenses	93	-
Total operating expenses	26,402	22,196
Operating income (loss)	(1,342)	(34)
Financial income, net	93	96
Income (loss) before taxes on income	(1,249)	62
Taxes on income	273	415
Net loss	$ 1,522	$ 353

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	(as a % of revenues)	
Revenues	100.0%	100.0%
Cost of revenues	55.0	51.6
Gross profit	45.0	48.4
Operating expenses:		
Research and development	16.8	17.2
Sales and marketing	19.4	19.2
General and administrative	11.0	12.1
Restructuring expenses	0.2	-
Total operating expenses	47.4	48.5
Operating loss	(2.4)	(0.1)
Financial income, net	0.2	0.2
Income before taxes on income	(2.2)	0.1
Taxes on income	(0.5)	0.9
Net loss	(2.7)%	(0.8)%

Geographic Breakdown of Revenues

The following table sets forth the geographic breakdown of revenues from sales to customers located in the regions indicated below for the periods indicated:

	Six Months Ended June 30,			
	2017		2016	
	$	%	$	%
	($ in thousands, except percentages)			
Americas	$ 31,368	56.3%	$ 30,048	65.6%
EMEA	15,763	28.3	10,519	23.0
Asia Pacific	8,560	15.4	5,220	11.4
Total revenues	$ 55,691	100%	$ 45,787	100%

Comparison of the Six Months Ended June 30, 2016 and 2017

Revenues

Revenues increased by $9.9 million, or 21.6%, to $55.7 million in the six months ended June 30, 2017 from $45.8 million in the six months ended June 30, 2016. The growth in revenues resulted from a 26.4% increase in system and services revenues to $34.5 million in the six months ended June 30, 2017 from $27.2 million in the six months ended June 30, 2016 and an 14.6% increase in sales of ink and other consumables to $21.2 million in the six months ended June 30, 2017 from $18.5 million in the six months ended June 30, 2016. We believe that the increase in sales of high throughput systems was a result of the growing maturity of the web-to-print business model which calls for high throughput systems to meet the growing consumer demand. The $2.7 million increase in ink and other consumables revenues was due to higher sales volumes of ink and other consumables and our larger installed base. The improvements in system and services revenues and ink and consumables revenues was offset by the fair value of warrants associated with revenues recognized from Amazon of $2.3 million. Excluding the effect of the fair value of warrants issued to Amazon, our revenues increased by $12.3 million or 26.8% in 2017 compared to 2016.

Cost of Revenues and Gross Profit

Cost of revenues increased by $7.0 million, or 29.7%, to $30.6 million in the six months ended June 30, 2017 from $23.6 million in the six months ended June 30, 2016. Gross profit increased by $2.9 million, or 13.1%, to $25.1 million in the six months ended June 30, 2016, as compared to $22.2 million in the six months ended June 30, 2016. Gross margin was 45.0% in the six months ended June 30, 2017 compared to 48.4% in the six months ended June 30, 2016. While gross margin was positively impacted by an increase in sales of higher margin high throughput systems and economies of scale during the six months ended June 30, 2017 compared to the six months ended June 30, 2016, such positive impact was affected by the impact of the Amazon warrants which offset $2.3 million from revenues. Excluding the effects of the Amazon warrants, gross profit would have been $27.4 million in the six months ended June 30, 2017 compared to $22.2 million in the six months ended June 30, 2016 and gross margin would have been 47.2% in the six months ended June 30, 2017 compared to 48.4% in the six months ended June 30, 2016. Excluding the effects of the Amazon warrants, the main reason for the decrease was an increase of $1.3 in inventory write-offs

Operating Expenses

	Six Months Ended June 30, 2017		2016		Change	
	Amount	% of Revenues	Amount	% of Revenues	Amount	%
	($ in thousands)					
Operating expenses:						
Research and development	$ 9,342	16.8%	$ 7,896	17.2%	$ 1,446	18.3%
Sales and marketing	10,829	19.4	8,772	19.2	2,057	23.4
General and administrative	6,138	11.0	5,528	12.1	610	11.0
Restructuring expenses	93	0.2	-	-	93	-
Total operating expenses	$ 26,402	47.4%	$ 22,196	48.5%	$ 4,206	18.9%

Research and Development. Research and development expenses increased by 18.3% in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. This resulted primarily from an increase of $0.8 million in salaries and related personnel expenses and share based compensation due to the hiring of additional personnel reflecting an increase in headcount compared to the same period in the previous year, an increase of $0.8 million in costs due to increased research and development activity, which primarily includes $0.5 million in facilities costs in connection with the expansion of our headquarters in Rosh Ha'Ayin, Israel and the Chemistry lab in Lev Ha'aretz industrial area, and an increase of $0.5 million in depreciation compared to the same period in the previous year. As a percentage of total revenues, our research and development expenses decreased during this period, from 17.2% in the six months ended June 30, 2016 to 16.8% in the six months ended June 30, 2017.

Sales and Marketing. Sales and marketing expenses increased by 23.4% in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. This increase was primarily due to an increase of $0.9 million in salaries and related personnel expenses and share based compensation expenses due to the hiring of additional sales and marketing personnel in the six months ended June 30, 2017 reflecting an increase in headcount compared to the same period in the previous year, an increase of $0.7 million due to amortization of the intangible assets purchased from SPSI, and an increase of $0.3 million in facilities costs in connection with the expansion of our headquarters in Rosh Ha'Ayin, Israel. As a percentage of total revenues, our sales and marketing expenses increased during this period, from 19.2% in the six months ended June 30, 2016 to 19.4% in the six months ended June 30, 2017.

General and Administrative. General and administrative expenses increased by 11.0% in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. This resulted primarily from an increase of $0.7 million in salaries and related personnel expenses and share based compensation due to the hiring of additional personnel reflecting an increase in headcount compared to the same period in the previous year, an increase of $0.2 million in Consulting expenses mainly because of our secondary offering which were offset with a decrease of $0.2 million in bad debts. As a percentage of total revenues, our general and administrative expenses decreased during this period, from 12.1% in the six months ended June 30, 2016 to 11% in the six months ended June 30, 2017.

Restructuring Expenses. Restructuring expenses in the six months ended June 30, 2017, related to the relocation of our business activities from the Midwest to the East Coast in the United States.

Financial income, net

Financial income, net, was relatively flat between the six months ended June 30, 2017 and the six months ended June 30, 2016.

Taxes on Income

Taxes on income decreased to $0.3 million the six months ended June 30, 2017 from $0.4 million in the six months ended June 30, 2016.

Liquidity and Capital Resources

As of June 30, 2017, we had approximately $25.7 million in cash and cash equivalents, no short-term bank deposits and $63.6 million in marketable securities, and together with the cash and cash equivalents, $89.3 million.

As of June 30, 2017, the Company had two lines of credit with Israeli banks for total borrowings of up to $3 million, all of which was undrawn as of June 30, 2017. These lines of credit are unsecured and available subject to the Company's maintenance of a 30% ratio of total tangible shareholders' equity to total tangible assets and that the total credit use will be less than 70% of the Company's and its subsidiaries' receivables. Interest rates across these credit lines varied from 0.2% to 2.3% as of June 30, 2017.

Based on our current business plans, we believe that our cash flows from operating activities and our existing cash resources will be sufficient to fund our projected cash requirements for at least the next 12 months without drawing on our lines of credit or using cash on hand. Our future capital requirements will depend on many factors, including our rate of revenue growth, the timing and extent of spending to support product development efforts, the expansion of our sales and marketing activities, and the timing of introductions of new solutions and the continuing market acceptance of our solutions as well as other business development efforts.

The following table presents the major components of net cash flows for the periods presented:

	Six Months Ended June 30,	
	2017	**2016**
	(in thousands)	
Net cash used in operating activities	$ (3,178)	$ (6,792)
Net cash used in investing activities	(29,027)	(642)
Net cash provided by financing activities	35,024	273

Net Cash Used in Operating Activities

Six Months Ended June 30, 2017

Net cash used in operating activities in the six months ended June 30, 2017 was $3.2 million.

Net cash used in operating activities consisted of a decrease of approximately $2.9 million in trade receivables. Our days sales' outstanding, or DSO, for the six months ended June 30, 2017 was 93 compared to 99 for the six months ended June 30, 2016 primarily due to an increase in the sales to direct customers.

During the same period, we experienced an increase of $8.6 million in inventory. This was primarily due to our strategy of increasing inventory levels to meet anticipated customer demand for our solutions. Our trade payables decreased by $2.1 million.

Six Months Ended June 30, 2016

Net cash used in operating activities in the six months ended June 30, 2016 was $6.8 million.

Net cash used in operating activities consisted of an increase of approximately $3.6 million in trade receivables due primarily to the growth of our business and better payment terms to our customers.

During the same period, we experienced an increase of $5.0 million in inventory. This was primarily due to our strategy of increasing inventory levels to meet anticipated customer demand for our solutions.

Net Cash Used in Investing Activities

Six Months Ended June 30, 2017

Net cash used in investing activities was $29.0 million for the six months ended June 30, 2017, which was primarily attributable to our purchase of marketable securities of $70.6 million offset by proceeds from the sale and maturity of marketable securities of $45.1 million and our investment in property and equipment of $3.4 million.

Six Months Ended June 30, 2016

Net cash used in investing activities was $642 thousand for the six months ended June 30, 2016, which was primarily attributable to our purchase of marketable securities of $7.1 million and purchase of property and equipment of $1.5 million offset by proceeds from short-term bank deposits of $4.0 million and proceeds from the sale and maturity of marketable securities of $4.0 million.

Net Cash Provided by Financing Activities

Six Months Ended June 30, 2017

Net cash provided by financing activities was $35.0 million for the six months ended June 30, 2017, which was primarily attributable to a follow-on offering completed on January 31, 2017.

Six Months Ended June 30, 2016

Net cash provided by financing activities was $0.3 million for the six months ended June 30, 2016, which was attributable to the exercise of share options.

Cautionary Statement Regarding Forward-Looking Statements

Certain information herein 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.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition and all statements (other than statements of historical facts) that address activities, events or developments that we expect, project, believe, anticipate, intend or project will or may occur in the future. The statements that we make regarding the following matters are forward-looking by their nature:

- our expectations regarding the expansion of our servable addressable market;
- our expectations regarding our future gross margins and operating expenses;
- our expectations regarding our growth and overall profitability;
- our expectations regarding the impacts of variability on our future revenues;
- our expectations regarding drivers of our future growth, including anticipated sales growth, penetration of new markets, and expansion of our customer base;
- our plans to continue our expansion into new product markets;
- our plans to continue to invest in research and development to introduce new systems and improved solutions;
- our expectations regarding the success of our new products and systems;
- the impact of government laws and regulations;
- our expectations regarding our anticipated cash requirements for the next 12 months;
- our plans to expand our international operations;
- our plans to file and procure additional patents relating to our intellectual property rights and the adequate protection of these rights;
- our plans to pursue strategic acquisitions or invest in complementary companies, products or technologies; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks described in our Annual Report on Form 20-F for the year ended December 31, 2016, which is on file with the Securities and Exchange Commission ("SEC"), and the other risk factors discussed from time to time by our company in reports filed or furnished to the SEC.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur.