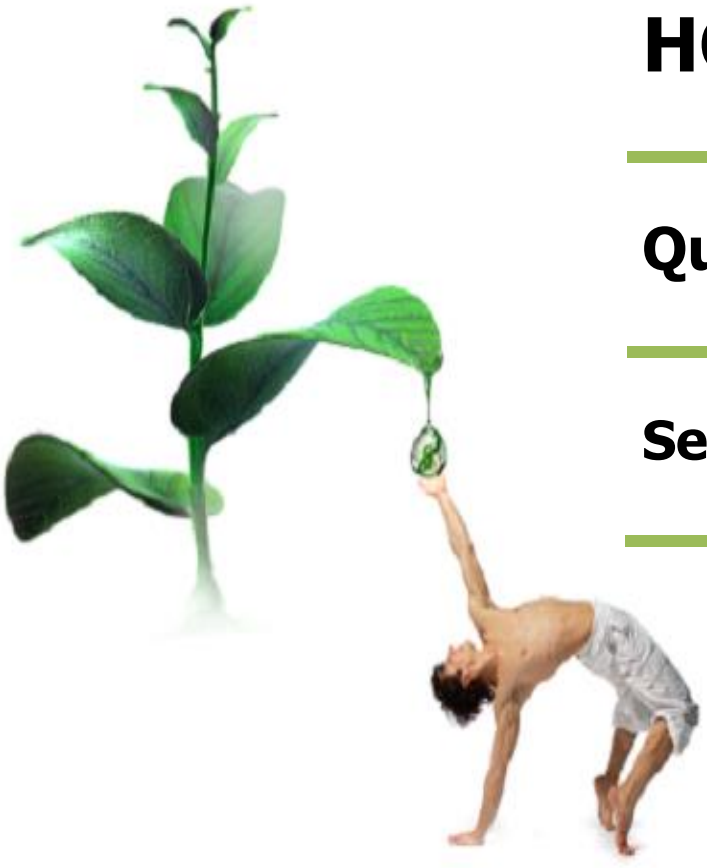
Convenience Translation

COLLPLANT HOLDINGS LTD.



Quarterly Report

Second Quarter | 2015

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As of the date of this report, the Company is considered a "small corporation" in accordance with the terms set out in Regulation 5c of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970 (the "Regulations").

Pursuant to the resolution of the Company's Board of Directors, the Company adopts and implements (as far as the said application is relevant or will be relevant to the Company) a number of concessions provided in the Regulations, that in essence state as follows:

1. **The enclosing of material valuations is done only when exceeding a material threshold of 20%;[1]**
2. **Statements of companies included in a material manner will be added to the Interim Financial Statements only when exceeding a material threshold of 40% (the threshold for inclusion in the annual financial statements is (remains) 20%);[2]**
3. **An exemption from the implementation of the second schedule of the Regulations (Details about the exposure to market risks and their management (Detection Report));[3]**
4. **Non-publication of a report on the internal control and the Auditor's report on the internal control, while enclosing only limited managers' declarations.[4]**

[1] Regulation 5d (b)(1) of the Regulations. In according with legal ruling SLB 105-23 of the Securities Authority Staff, as updated on March 13th 2014 and July 16th 2014, regarding the parameters got the examination of materiality of valuations, "**A material valuation in a small corporation**" is defined as a valuation which :

(a) The valuation topic constitutes at least 20% of the total assets of the company; **or**

(b) The impact of changes in the value as a result of the valuation on the net income or total income, respectively, constitutes at least 20% of the net income or total income, respectively, **as well as** the impact of said change constitutes at least 10% of the equity of the corporation.

[2] Regulation 5d (b)(2) of the Regulations.

[3] Regulation 5d (b)(3) of the Regulations.

[4] Regulation 5d (b)(4) of the Regulations.

CollPlant Holdings Ltd.

Chapter A –Board of Directors Report regarding company's status as of June 30,2015

The Company's Board of Directors hereby presents the Board of Directors report regarding the status of the company ("**CollPlant**" or the "**Company**") and its subsidiary company as of June 30th 2015 and for the period of six and three months ended on said date (the "**Reporting Date**" and the "**Interim Period**") according to the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970 (the "**Board of Directors' Report for the Interim Period**"). The Board of Directors' Report for the Interim Period is attached to the interim consolidated reports (the "**Interim Consolidated Reports**") on the premise that the reader has before him said Interim Consolidated Reports.

a. The explanations of the Board of Directors on the Company's status, the results of its operation, its shareholders equity and its cash flows

CollPlant is a clinical stage regenerative medicine company focused on the development and commercialization of tissue repair products. The first products the Company is focusing on are products for the orthopedic field using biological substances (ortho-biology), and for the field of advanced wound healing. The Company's products are based on pure recombinant human collagen produced from tobacco plants using a unique technology, which are the property of CollPlant. CollPlant is developing a wide range of products based on biological materials, when the Company's first two products are at the clinical trials stage and an additional product is under advanced development with a leading American company in the ortho-biology field ("**the American Partner**").

Spinal fusion and bone fracture healing product: On July 9th 2015 CollPlant signed a non-binding term sheet with its American Partner for the development of a product for the ortho-biology field. The comprehensive memorandum of understanding outlines and details the principles for further cooperation between the parties and includes the following components: (1) completing the development of the product; (2) production and supply by CollPlant and commercialization by the American Partner of a bioactive implant for spinal fusion and healing bone fractures caused by trauma (the "**Medical Product**"). According to the term sheet, subject to the signing of a binding agreement and meeting the milestones, the American Company will transfer to CollPlant payments for the license to use CollPlant's technology, payments for meeting clinical and regulatory milestones and royalties (single-digit rate) for sales worldwide. In addition, the American Company will transfer to CollPlant payments for the construction of a plant in the United States for the production of the Collagen and the Medical Product. The parties are currently working to prepare and sign a final binding agreement. In addition, the parties'

development teams continue with the advanced development work of the product, with the Partner's full financing. The Company estimates that the size of the target market worldwide for the Medical Product in the fields of spinal fusion and trauma is approximately 3.5 billion dollars per annum. (For more details see Chapter C section 2.2 of this report).

Product for treatment of deep surgical incisions and deep wounds: in the interim period the Company published an analysis of the interim results of the clinical trials conducted on the product, based on the treatment of 10 patients out of 20 patients participating in the trial. The aim of the trial is to demonstrate the safety of the product and to assess its performance in patients with chronic difficult to heal wounds on the foot. The interim results reported demonstrate excellent rates of wound closure of 80% to 100% in the majority of patients, within four weeks of starting treatment. In addition, the Company showed that the product is safe for use on human subjects.

As part of the Trial the Company performed an analysis and evaluation of the data obtained thus far from the treatment of 16 patients against the performance of other products (which are currently in use on the world market), according to public scientific publications made in connection with those other products. The Company's analysis and assessment indicate the following:

(1) The closing speed of the ulcers. 50% of patients achieved complete closing of the ulcers after 4 weeks. Analyzing the results of the trial with another advanced product based on human tissue containing collagen, the growth factors and cells, versus the standard treatment available on the market, the scientific literature reported that the expected rates of wound closure after 4 weeks of treatment are approximately 12% of those treated with the other product, compared to about 2% of those treated with the current standard treatment. In addition, the healing effect (Jump Start) in the first days of treatment achieved in the clinical trial conducted by the Company showed that 100% of patients responded immediately to the Company's medical product, a significant figure given that the trial only included patients with chronic ulcers defined as difficult to heal. There is no comparative data regarding jump start in the other publications.

(2) One-time treatment. The treatment given to patients is one-time, while in most other products on the market repeated treatments are required (in the current standard care, up to 30 applications are required). The Company believes that this figure gives its Medical Product a significant advantage in the costs of medical treatment of ulcers, compared to other products.

The Company estimates that the receipt of the data, analysis of the trial results in respect of all of the patients participating in the trial and the receipt of marketing approval for the product in Europe (CE approval) will be completed in 2015. As of the date of this report, 18 patients were recruited and treated out of a total of 20 patients. For further details see Chapter C section 1.7 of this report.

Product for the treatment of tendinopathy: On July 20th 2015 the Company reported the successful completion of the interim phase of the Clinical Trial, with the completion of the monitoring and analysis of the results in respect of

half of the patients participating in the trial (10 patients). In addition, the Company reported that it completed the recruitment and treatment of all 20 patients required for the clinical trial.

The objectives of the Clinical Trial are to demonstrate the safety of the treatment with the product and to assess its performance in patients suffering from tendonitis in the elbow (tendonitis in the elbow also known as Tennis Elbow).[5] The analysis of the interim results of the trial with respect to the first ten patients who completed a follow-up period of three months, demonstrates that 80% of patients reported a reduction in pain, improved movement in the affected elbow and improved strength of the treated hand (recovery in the patent's hand movement). In addition, it was demonstrated that the Company's product is safe for use on humans.

In addition, the Company updates that it intends to continue treating more patients with the aim of collecting clinical data that will serve it in the process of introducing the product to the market, and in supporting the process of beginning of sales in Europe.

The trial's progress is according to the Company's plans. The Company estimates that the receipt of data and analysis of the final trial results with respect to the clinical trial will be by the beginning of the fourth quarter of 2015. In addition the Company is in ongoing discoussions with various companies for the distribution of the product in Europe, The Company expects to receive CE approval in 2015 and to begin sales in Europe thereafter. The target market size for the medical product is estimated at an annual scope of approximately 2 billion dollars. (For further details see Chapter C section 1.6 of this report).

For further information about material changes and updates in the Company's business for the reporting period, see Chapter C (Description of the Corporation's Affairs) of this report.

1. Significant changes that have occurred in the Company's operations and its business and its financial data for the Interim Period

The financial position

1.1 Current assets – the balance of current assets as of June 30th 2015 was a total of 5,782 thousand ILS, compared to 12,610 thousand ILS on December 31st 2014. The decrease in the balance of the current assets amounting to 6,828 thousand ILS is mainly attributable to the Company's use of cash balances for investment in product development.

1.2 Non-current assets – the balance of non-current assets as of June 30th 2015 was 4,965 thousand ILS, compared to a total of 4,348 thousand ILS on December 31st 2014. This change is attributable the Company's investment in fixed assets primarily for process development and production, amounting to 999 thousand during the Interim Period. The increase was offset by depichiation and amortization for fixed assets and

[5] Pain the elbow area caused following damage to the joint tendon of the muscles extending the forearm.

for other assets, totaling 391 thousand ILS.

1.3 Current liabilities – the balance of the current liabilities as of June 30th 2015 amounted to 2,553 thousand ILS, compared to 2,647 ILS on December 31st 2014. The decrease in current liabilities during the Interim Period is due to a decrease in the balance of accounts payable and service providers totaling 222 thousand ILS, and on the other hand an increase of 128 thousand ILS in liabilities to employees and employee-related institutions.

1.4 Capital – the Company capital as of June 30th 2015 amounted to 8,194 thousand ILS, compared to a total of 14,311 thousand ILS on December 31st 2014. The decrease in the capital during the Interim Period is due to the overall loss for the period amounting to 7,326 thousand ILS net of the the share based compensation to employees and consultants totaling 1,182 thousand ILS and minus the exercising of options into shares in the amount of 27 thousand ILS.

2. Business activity results

Following is a summary of the Company's profit and loss statements for the six and three months ending on June 30th 2015 and 2014, and for 2014 (in thousands ILS):

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2015	2014	2015	2014	2014
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Research and development expenses, net**:**					
Research and development expenses	9,082	7,612	5,053	3,895	14,879
Participation in research and development expenses	(4,363)	(2,618)	(2,813)	(1,661)	(5,145)
Research and development expenses, net	4,719	4,994	2,240	2,234	9,734
General, administrative and marketing expenses	2,545	1,770	1,431	704	3,906
Operating loss	7,264	6,764	3,671	2,938	13,640
Financial income	148	25	3		642
Financial expenses	210	58	191	62	25
Financial expenses (income), net	62	33	188	62	(617)
Loss and comprehensive loss for the period	7,326	6,797	3,859	3,000	13,023
Basic and diluted loss per ordinary share (NIS)	0.03	0.03	0.02	0.01	0.05

Following is an analysis of the results of the operations:

2.1 Research and development expenses

In the second quarter of 2015 research and development expenses totaled 5,053 thousand ILS compared to 3,895 thousand in the corresponding quarter the year before. The volume of development expenses increased by 1,158 thousand ILS over the corresponding period the year before and is attributed primarily to an increase in the expenses in the amount of 854 thousand ILS for a benefit attributed to the granting of options in 2015, and the rest is attributed to the increase in the scope of the product development program in the field of orthopedics and wound healing, and the entry into clinical trials, compared to the corresponding quarter the year before, mainly due to the clinical trials conducted by the Company.

In the six months of 2015 the research and development expenses totaled 9,082 thousand ILS compared to 7,612 thousand in the corresponding period the year before. The increase in the expenses in the amount of 1,470 thousand ILS is primarily attributed to an increase of 877 thousand ILS for options granted in 2015, and to an increase of 300 thousand ILS in R&D salary costs for the recruiting of additional development staff, and the rest is attributed to the increase in the scope of the product development program compared to the corresponding quarter the year before, mainly due to the clinical trials conducted by the Company

Total participation in research and development expenses in the second quarter amounted to 2,813 thousand ILS compared to 1,661 thousand ILS in the corresponding quarter the year before. The total participation in the research and development costs in the first half reached 4,363 thousand ILS compared to 2,618 thousand ILS in the corresponding period the year before. The increase is attributed to an increase in the participation of the American Partner in product development, in accordance with the milestones agreed upon with the Company.

2.2 General, administrative and marketing expenses

In the second quarter ending on June 30th 2015 the general, administrative and marketing expenses totaled 1,431 thousand ILS compared to 704 thousand ILS in the corresponding period in 2014. In the first half of 2015 the general, administrative and marketing expenses totaled 2,545 thousand ILS compared to 1,770 thousand ILS in the corresponding period the year before. The increase in the amount of 775 is primarily attributed to an increase in the costs for options granted at the end of 2014 and the beginning of 2015 and to one-time payments made in the course of the first half of 2015.

2.3 Operating loss

Operating loss amounted to 3,671 thousand ILS and 2,938 thousand ILS in the quarters ending on June 30th 2015 and 2014, respectively. In the

first half of 2015 the operating loss totals 7,264 thousand ILS compared to 6,764 thousand ILS in the corresponding period the year before.

The increase in the operating loss in the second quarter and the first half of 2015 compared to corresponding periods the year before, stem chiefly due to an increase in costs for options granted at the end of 2014 and the beginning of 2015.

2.4 Expenses (income), financing, net

In the second quarter of 2015 the net financing expenses amounted to 188 thousand ILS compared to 62 thousand ILS in the corresponding quarter the year before. The increase in the net financing expenses is attributed to expenses due to exchange rate differences on the balances held in foreign currency. The net financing expenses for the first half of 2015 totaled 62 thousand ILS, compared to 33 thousand ILS in the corresponding period the year before. The increase in the net financing expenses is attributed to expenses due to exchange rate differences on the balances held in foreign currency.

2.5 Taxes on income

As of June 30th 2015 and 2014 and for 2014, the Company has material accumulated losses for tax purposes. In respect of these losses no deferred taxes were recorded due to the inability to anticipate future tax liability.

2.6 Overall loss for the period

The overall loss amounted to 3,859 thousand ILS, 3,000 thousand ILS for the quarters ending on June 30th 2015 and 2014 respectively. The overall loss for the period of the six months ending on these dates, respectively, totaled 7,326 thousand ILS and 6,797 thousand ILS, respectively.

The increase in the overall loss for the second quarter and the first half of 2015 compared to the corresponding periods the year before, stem mainly from an increase in costs for options granted at the end of 2014 and the beginning of 2015.

3. Liquidity, cash flows and financing sources

3.1 The Company has not generated a profit or positive cash flows from its operating activities. The Company's plans to continue with research and product development, production and marketing in the coming year, are supported by the financing sources that include the Company's cash balances, interim financing funds in the amount of 2.7 million dollars net, received on July 2015, grants from governmental authorities and receipts from strategic partners. The financing sources mentioned above were used by the Company to finance its ongoing operations.

The Company is working to obtain additional sources of financing which will allow the Company to continue operating beyond the aforementioned period. These sources include (1) the execution and implementation of agreements with companies for joint product development, including the binding agreement with the American Company that includes, among other things, full funding of the development costs and payments to the Company from the license for sale of the Company products in the future, and (2) raising resources from private investors and/or

institutional investors in Israel and abroad, or from the public, depending on the progress of section (1) above. There is no certainty in the Company's ability to raise additional resources as mentioned above. For further details, see Note 1c to the financial statements attached to this report.

3.2 Cash Flow:

3.2.1 Cash flow from operating activities – the net cash used for operating activities in the second quarter of 2015 amounted to 5,200 thousand ILS compared to 2,669 thousand ILS in the corresponding quarter the year before. In addition, the cash used for operating activities in the first half of the year ending on June 30th 2015 and 2014, respectively, totaled 8,807 and 6,942 thousand ILS. The increase in cash used is primarily attributed to the debt of the Chief Scientists Office at the Ministry of Economy owed to the Company for the development activity in the first half of the year, and the debt of the American Partner for the activity of the second quarter of 2015. After the date of the financial report and until the execution of this report, the Company received 1,625 thousand ILS for the Chief Scientists Office's debt and 688 thousand ILS from the American Partner.

3.2.2 Cash flow from investment activities – the net cash used in investment activities amounted to 423 thousand ILS compared to the cash used in investment amounting to 5 thousand ILS for the quarters ending on June 30th 2015 and 2014, respectively. Case used for the investment activity in the six months ending on June 30th 2015 and 2014, respectively, totaled 981 and 197 thousand ILS. The majority of said cash is directed for investment in fixed assets for the Company's development activities.

3.2.3 Cash flow from financing activities – net cash generated from financing activities totaled 27 thousand ILS for the quarter and the six months of the year ending on June 30th 2015. The cash flow from financing activities stemmed from the exercise of the employee options into Company shares. In the corresponding periods the year before the Company did not generate any cash flow from the financing activity.

3.3 Sources of finance:

In the Interim Period, the Company financed its operations from cash balances and cash equivalents at its disposal, including grants from governmental authorities and participation on the part of a strategic American partner in the development plan.

3.4 Quarterly report on liabilities according to maturity dates

For details regarding the Company's liabilities, according to their maturity dates see a separate immediate report submitted on the Maya website at the time of this report.

4. Compensation to stakeholders and senior officers

4.1 In the Interim Period, there were no material changes with respect to the

contents of the annual Directors' report in respect of the manner of examination of the terms of compensation of officers in the Company, their reasonableness and the connection between them and the contribution of the officers and stakeholders in the Company, in accordance with the provisions of Article 21 of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970.

4.2 For details regarding compensation of senior officers during the Interim Period until the date of signing of this report, see Chapter C of this report. In addition, On August 31 2015, the company's Board of Directors, pursuant to the recommendation of the Company's compensation committee, approved the CEO immaterial vehicle terms update.

b. Aspects of corporate governance

5. Detailing with respect to directors with accounting and financial expertise

5.1 On March 2013 the Company's Board of Directors decided that the minimum required number of directors (including external directors) with accounting and financial expertise on the Board of Directors (the "**Minimum Number**") will be one.

5.2 In the Interim Period and as of the date of this report, the number of directors with accounting and financial skills did not go below the Minimum Number.

6. Details in respect of independent directors

In the Interim Period and as of the date of this report the Company has not adopted in its Regulations provisions concerning the number of independent directors (as defined in Article 219(e) of the Companies Law, 5759 – 1999 (the "**Companies Law**")).

It should be noted in this respect that at the report date the Board of Directors is comprised of an equal number of independent directors and "ordinary" directors.

7. Update on an event or issue already reported

In the Interim Period and as of the date of publication of this report the Company did not file a report on an incident or matter (the "**Original Report**") that may occur at a later date after the date of the Original Report, for which an update must be given.

8. Details in respect of the Company's internal auditor

8.1 The Company's Internal Auditor complies with all the conditions set out in Article 3(a) of the Internal Audit Law, 5752 – 1992 (the "**Internal Audit Law**"); the Internal Auditor complies with the provisions of Article 146(b) of the Companies Law and Article 8 of the Internal Audit Law and serves as a senior officer of the Company pursuant to the provisions of law.

8.2 In the Interim Period and as of the date of this report, no material changes have occurred in respect of the contents in the annual Directors' report in respect of the Company's Internal Auditor.

9. **Details in respect of the outstanding liability certificates**

In the Interim Period and as of the date of publication of this report the Company has no outstanding liability certificates.

10. **Details in respect of the process of approval of the financial statements**

10.1 The Company's Board of Directors is the body responsible for the overall control in the Company and the approval of its financial statements.

10.2 As of the date of this report the members of the Board of Directors are Messrs. Yaron Yaniv – Chairman of the Board ("ordinary" director), Prof. Oded Shoseyov – Chief Scientist ("ordinary" director), Adi Goldin ("ordinary" director), Tony Qian ("ordinary" director), Orli Tori (external director), Rami Armon (external director), Ira Liederman (independent director) and Nira Dror (independent director).

10.3 In accordance with the Companies Regulations (Rules and Conditions for the Approval of the Financial Statements), 2010 (the "**Approval of Statements Regulations**") the Company's Audit Committee was appointed as the Committee for the review of the Company's financial statements as well (in this section: the "**Committee**"). As of the date of this report the Committee consists of three members: Messrs. Rami Armon – Committee Chairman; Orli Tori and Nira Dror.

10.4 The approval of the interim financial statements required two meetings as follows: (1) a meeting of the Committee before the meeting of the Board of Directors, for a comprehensive substantive discussion of the material reporting and disclosure issues and for the discussion and formulation of its recommendations for the approval of the interim financial statements by the Board of Directors; (2) a meeting of the Board of Directors, to discuss and approve the financial statements. The draft of the financial statements is forwarded to the directors several days before each meeting along with its recommendations.

10.5 The Committee meeting held on August 30th 2015, which discussed and formulated the recommendations for the Board of Directors regarding the approval of the interim financial statements, in addition to committee members, was attended by the Company Auditor, officers and other stakeholders in the Company. During the meeting, the Committee examined, by way of a presentation and detailed review on the part of the Company CFO, *inter alia*, the evaluations and estimates made in connection with the interim financial statements on which the data in the interim financial statements is based, including significant changes in these estimates and evaluations (if any), the integrity and fairness of the reporting and disclosure in the interim financial statements and the Company's plans for the financing of its operations in the year following the date of the meeting. The Chief Financial Officer reviewed before the Committee members the accounting policies adopted and the accounting treatment applied to material issues of the Company. In addition, the Auditor's reference to the matters presented was also given. The Committee held a discussion regarding the accounting policies and the manner of presentation and disclosure in the interim financial statements. The Committee's recommendations in writing to the Board members were given on August 30 2015, recommending that the Board approve

the interim financial statements of the Company.

10.6 The Board of Directors meeting convened on August 31st 2015, which discussed, among other things, the approval of the interim financial statements, was attended by all members of the Board. In addition to the above members of the Board of Directors, the meeting was also attended by the Company Auditor, officers and other officials in the Company who were available and willing to answer any question that has been raised by the members of the Board. At said meeting the Board of Directors discussed the Committee recommendation, reviewed the Company's financial results, its financial position and cash flows, and presented data on the Company's operations compared to previous periods reviewed. The Board also held a discussion and decided on the exclusion of separate financial information under Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970. The reason for the Company's exclusion of separate financial information is the negligible impact of the separate financial statements on the consolidated financial statements and as the additional information is immaterial to the financial statements, and that the same information was discusses in the financial statements that were requested to detail them in a separate note, as described in Note 1b to the financial statements. The date of transfer of the Committee's recommendation to the Board members, the day before said Board meeting, was determined as a reasonable time for the transfer of the recommendations, given their scope and complexity. In the course of the Board meeting for the approval of the interim financial statements the main financial data presented in interim financial statements and in the related information was reviewed, including with regard to the integrity and fairness of the disclosure and reporting in the interim financial statements. In addition a discussion was held on the sources of financing to be used by the Company in executing its plans in the coming year. During the meeting, the Company's management answered the Directors' questions and the Auditor added his comments regarding the interim financial statements. At the end of said discussion, once it was made clear that the interim financial statements fairly represent the Company's business status and results of its operations, the Board adopted the Committee's recommendations and approved the interim financial statements of the Company.

c. Provisions concerning the Company's financial statement

11. Disclosure concerning subsequent events following the date of the balance sheet

To the Company's knowledge, there were no material events subsequent to the date of the report on the financial situation, mentioned in the interim financial statements. For further information about events that occurred after the date of the balance sheet, see Note 5 to the interim financial statements. Without limiting the foregoing, see also detailing in Chapter C (Update of the Corporation's Affairs) of this report.

d. Self-Acquisition

12. **Self-acquisition plans**

The Company has no self-acquisition plans regarding securities of the Company, as the term "acquisition" is defined in Regulation 10(b) (2) (i) of the Regulations.

The Company's Board of Directors thanks the Company employees and managers for their contribution to the Company's advancement.

Yaron Yaniv	Yehiel Tal
Chairman of the Board of Directors	CEO

August 31st 2015

Convenience Translation

CollPlant Holdings Ltd.

Interim Financial Information
(Unaudited)
June 30, 2015

CollPlant Holdings Ltd.
Interim Financial Information

(Unaudited)
June 30, 2015

Contents

Auditor's report to the shareholders of CollPlant Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of CollPlant Holdings Ltd. and its subsidiary ("the Company"), including the condensed consolidated statement of financial position as at June 30, 2015 and the condensed consolidated statements of comprehensive loss, changes in equity and cash flows for the six and three months then ended. The board of directors and the management are responsible for preparation and presentation of the financial information for this interim period in accordance with IAS 34 - Interim Financial Reporting, and are also responsible for preparation of the interim financial information for this period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with Accounting Standard No. 1 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, established by the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted accounting principles in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this financial information is not prepared, in all material respects, in accordance with IAS 34.

Additionally, based on our review, nothing has come to our attention that causes us to believe that this financial information is not prepared, in all material respects, in accordance with the disclosure requirements in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our conclusion, we draw attention to Note 1 C to the condensed consolidated financial statements, which describes the factors underlying the significant uncertainly regarding the Company's continued existence as a going concern. The management's plans regarding these factors are also described in this note. The financial statements do not include adjustments for assets and liabilities and their classification which may be required if the Company is unable to continue as a going concern.

Tel Aviv
August 31, 2015

Kesselman & Kesselman
Certified Public Accountants
Member of PricewaterhouseCoopers International Limited

CollPlant Holdings Ltd.
Condensed consolidated statements of financial position
June 30, 2015

	June 30		December 31
	2015	2014	2014
	(Unaudited)		(Audited)
	NIS thousands		
Assets			
Current assets			
Cash and cash equivalents	1,347	16,594	11,062
Receivables	4,435	1,343	1,548
	5,782	17,937	12,610
Non-current assets			
Restricted deposit	546	498	564
Long term receivables	79	40	52
Property and equipment	2,616	2,247	2,007
Intangible assets	1,724	1,732	1,725
	4,965	4,517	4,348
Total assets	10,747	22,454	16,958
Liabilities and equity			
Current liabilities			
Accounts payables			
Trade payables	1,420	1,166	1,642
Other	1,133	912	1,005
Total liabilities	2,553	2,078	2,647
Equity:			
Ordinary shares	2,415	2,369	2,414
Additional paid in capital	130,944	130,918	130,918
Accumulated deficit	(125,165)	(112,911)	(119,021)
Total equity	8,194	20,376	14,311
Total liabilities and equity	10,747	25,454	16,958

Yaron Yaniv	Yehiel Tal	Eran Rotem
Chairman of the Board	CEO	CFO

The interim financial statements were approved by the Company's board of directors on August 31, 2015

The accompanying notes are an integral part of the condensed financial statements

CollPlant Holdings Ltd.

Condensed consolidated statements of comprehensive loss
for the three months ended June 30, 2015

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2015	2014	2015	2014	2014
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Research and development expenses, net**:**					
Research and development expenses	9,082	7,612	5,053	3,895	14,879
Participation in research and development expenses	(4,363)	(2,618)	(2,813)	(1,661)	(5,145)
Research and development expenses, net	4,719	4,994	2,240	2,234	9,734
General, administrative and marketing expenses	2,545	1,770	1,431	704	3,906
Operating loss	7,264	6,764	3,671	2,938	13,640
Financial income	148	25	3		642
Financial expenses	210	58	191	62	25
Financial expenses (income), net	62	33	188	62	(617)
Loss and comprehensive loss for the period	7,326	6,797	3,859	3,000	13,023
Basic and diluted loss per ordinary share (NIS)	0.03	0.03	0.02	0.01	0.05

The accompanying notes are an integral part of the condensed financial statements

CollPlant Holdings Ltd.

Condensed consolidated statements of changes in equity
for the six and three months ended June 30, 2015

	Equity attributable to shareholders of the Company			
	Ordinary shares	**Additional paid in capital**	**Accumulated deficit**	**Total equity**
	NIS thousands			
Balance as at January 1, 2015 (audited)	2,414	130,918	(119,021)	14,311
Movement in the six months ended June 30, 2015 (unaudited):				
Exercise of options for shares	1	26		27
Comprehensive loss for the period			(7,326)	(7,326)
Share-based compensation to employees and consultants			1,182	1,182
Balance as at June 30, 2015 (unaudited)	2,415	130,944	(125,165)	8,194
Balance as at January 1, 2014 (audited)	2,369	130,918	(106,203)	27,084
Movement in the six months ended June 30, 2014 (unaudited):				
Comprehensive loss for the period			(6,797)	(6,797)
Share-based compensation to employees and consultants			89	89
Balance as at June 30, 2014 (unaudited)	2,369	130,918	(112,911)	20,376
Balance as at April 1, 2015 (audited)	2,414	130,918	(122,402)	10,930
Movement in the three months ended June 30, 2015 (unaudited):				
Exercise of options into shares	1	26		27
Comprehensive loss for the period			(3,859)	(3,859)
Share-based compensation to employees and consultants			1,096	1,096
Balance as at June 30, 2015 (unaudited)	2,415	130,944	(125,165)	8,194
Balance as at April 1, 2014 (audited)	2,369	130,918	(109,950)	23,337
Movement in the three months ended June 30, 2014 (unaudited):				
Comprehensive loss for the period			(3,000)	(3,000)
Share-based compensation to employees and consultants			39	39
Balance as at June 30, 2014 (unaudited)	2,369	130,918	(112,911)	20,736
Balance as at January 1, 2014 (audited)	2,369	130,918	(106,203)	27,084
Movement in the year, 2014:				
Comprehensive loss for the year			(13,023)	(13,023)
Share-based compensation to employees and consultants			205	205
Exercise of options into shares	45			45
Balance as at December 31, 2014 (audited)	2,414	130,918	(119,021)	14,311

The accompanying notes are an integral part of the condensed financial statements

CollPlant Holdings Ltd.

Condensed consolidated statements of cash flows
for the six and three months ended June 30, 2015

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2015	2014	2015	2014	2014
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Cash flows from operating activities:					
Net cash used in operations (see appendix)	(8,790)	(6,967)	(5,170)	(2,681)	(12,993)
Interest received	1	25	1	12	35
Net cash used in operating activities	(8,789)	(6,942)	(5,169)	(2,669)	(12,958)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(999)	(197)	(454)	(5)	(336)
Change in restricted deposit					(61)
Net cash used in investing activities	(999)	(197)	(454)	(5)	(397)
Cash flow from financing activities:					
Exercise of options into shares	27		27		45
Net cash provided by financing activities	27		27		45
Decrease in cash and cash equivalents	(9,761)	(7,139)	(5,596)	(2,674)	(13,310)
Cash and cash equivalents at the beginning of the period:	11,062	23,777	7,034	19,335	23,777
Exchange differences on cash and cash equivalents	46	(44)	(91)	(67)	595
Cash and cash equivalents at the end of the period	1,347	16,594	1,347	16,594	11,062

The accompanying notes are an integral part of the condensed financial statements

CollPlant Holdings Ltd.

Condensed consolidated statements of cash flows
for the six and three months ended June 30, 2015

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2015	2014	2015	2014	2014
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Appendix to the condensed consolidated statement of cash flow used for operating activities					
Loss for the period	(7,326)	(6,797)	(3,859)	(3,000)	(13,023)
Adjustments for:					
Depreciation and amortization	391	416	202	176	802
Share-based compensation to employees and service providers	1,182	89	1,096	39	205
Interest received	(1)	(25)	(1)	(12)	(35)
Exchange differences on cash and cash equivalents	18	5	31	8	
Loss (gains) from exchange differences on cash and cash equivalents	(46)	44	91	67	(595)
	(5,782)	(6,268)	(2,440)	(2,722)	(12,646)
Changes in operating asset and liability items:					
Decrease (increase) in other long-term receivables	(27)	27	(14)	15	180
Decrease (increase) in other receivables	(2,887)	385	(2,397)	271	15
Decrease in trade payables	(222)	(690)	(398)	(139)	(214)
Increase (decrease) in other payables	128	(421)	79	(106)	(328)
	(3,008)	(699)	(2,730)	41	(347)
Net cash used in operations	(8,790)	(6,967)	(5,170)	(2,681)	(12,993)

The accompanying notes are an integral part of the condensed financial statements

NOTE 1 - GENERAL

A. CollPlant Holdings Ltd. is clinical-stage regenerative medicine company focused on developing and commercializing tissue repair products, initially for the orthopedic and advanced wound care markets. CollPlant's products are based on its proprietary plant-based technology, for the production of recombinant type I human collagen, or rhCollagen. The Company operates through CollPlant Ltd., a wholly-owned subsidiary (CollPlant Holdings Ltd. and CollPlant Ltd. will be referred to hereinafter as "the Company" or "CollPlant").

B. In accordance with Regulation 4 of the Regulations for Periodic and Immediate Reports, the Company has not attached separate financial information to its consolidated financial statements in accordance Regulation 38(D) of the Securities Regulations (Periodic and Immediate Reports), 1970. The Company did not include separate financial information due to the negligible effect that the separate financial statements have on the consolidated financial statements and since the separate financial statement does not add material information to the consolidated statements. For this purpose, the Company reviewed, among other things, the comparison of the separate financial information with the consolidated financial statements and the information provided in the consolidated financial statements. The separate financial information of CollPlant Holdings Ltd that was reviewed included the following items and their percentage of the consolidated financial statements:

	June 30, 2015	**Percentage of consolidated financial statements**
	NIS thousands	
Cash and cash equivalents	47	3%
Assets, with the exception of cash and cash equivalents	992	11%
Current liabilities	373	15%

	Six months ended June 30, 2015	**Percentage of consolidated financial statements**
	NIS thousands	
Operating expenses	968	14%
Net cash used for operating activities	1,348	15%

C. The Company has not yet generated income from its operations and as of June 30, 2015, has accrued losses of approximately NIS 125 million. The Company plans to continue research and development, production and marketing in the coming year (focusing on orthopedics, soft and hard tissue repair and wound healing), supported by funding sources as the Company's cash balances, grants from government authorities, proceeds from strategic partners and three million U.S. dollars raised during Q2 2015 and received in July 2015. Presently, the Company does not have sufficient cash resources to meet its plans in the twelve months following June 30, 2015.

The Company is taking steps to raise additional financing sources to allowing the continuation of operations. These steps include efforts towards (1) signing a definitive agreement with a leading U.S. company in Orthobiologics (see note 5b regarding signing a non-binding term-sheet), for the further development, commercialization and supply of a novel absorbable bio-active surgical matrix intended for use in spinal fusion and trauma applications. Upon successful crossing of the milestones of the agreement, CollPlant will receive payments for the license to use its technology, royalty payments for future global sales, as well as participation in costs associated with the building of a CollPlant-run manufacturing facility for the production of rhCollagen and the product in the U.S..; and (2) raising funds from private, public and/or institutional investors in Israel and overseas. It is uncertain whether the Company will be able to raise additional funds as aforesaid.

NOTE 1 – GENERAL (CONTD.)

These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The condensed consolidated interim financial statements do not include adjustments for assets and liabilities and their classification which may be required if the Company is unable to continue as a going concern. If the Company is unable to raise the necessary funds, the Company may need to curtail or cease operations.

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

A. General

The Company's condensed consolidated financial information as at June 30, 2015 ("the Interim Financial Information") is prepared in accordance with IAS 34 - Interim Financial Reporting ("IAS 34") and includes additional disclosure in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. The Interim Financial Information does not include all the information and disclosures required for annual financial statements. The Interim Financial Information should be reviewed together with the annual financial statements for 2014 and their accompanying notes, which were prepared in conformity with International Financial Reporting Standards, the standards and interpretations issued by the International Accounting Standards Board ("IFRS"), and include the additional disclosure required in accordance with the Securities Regulations (Annual Financial Statements), 2010.

B. Estimates

Preparation of interim financial statements requires the Company's management to exercise judgment and requires the use of accounting estimates and assumptions that affect the application of the Company's accounting policies and the amounts of the reported assets, liabilities, income and expenses. Actual results may differ from these estimates.
When preparing these interim financial statements, significant judgments used by the management when applying the Company's accounting policies and the uncertainty in the principal assumptions underlying the estimates were similar to those in the Company's annual financial statements for the year ended December 31, 2014.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and calculation methods applied when preparing the Interim Financial Information are consistent with those used when preparing the Company's annual financial statements for 2014.

New standards that are not yet effective and which the Group did not choose to adopt ahead of their effective date are described in the Company's annual financial statements for 2014.

NOTE 4 - SHARE-BASED PAYMENTS

A. On March 22, 2015, the Board of Directors approved the grant of options to purchase 10,000,000 ordinary shares to its Director and Chief Scientific Officer. The options will vest over 5 years. One fifth will vest one year after the grant date, and the balance will vest in equal parts at the end of each subsequent quarter. The exercise price of each option is NIS 0.60.
On July 30, 2015 the Company's general meeting approved the options grant. The fair value of the options at the date of general meeting approval was NIS 4,758 thousand.

B. On May 18, 2015, options to purchase 7,450,000 ordinary shares were granted to employees and officers of the Company (who are not the CEO and/or a director).
The options will vest over 4 years. One quarter will vest one year after the grant date, and the balance will vest in equal parts at the end of each subsequent quarter. The exercise price of each option is NIS 0.60. The fair value of the options at the grant date was NIS 1,597 thousand.

C. On May 18, 2015, the Board of Directors approved the grant of options to purchase 5,670,000 ordinary shares to the CEO of the company. The options will vest over 4 years. One quarter will vest one year after the grant date, and the balance will vest in equal parts at the end of each subsequent quarter. The exercise price of each option is NIS 0.60.
On July 30, 2015 the Company's general meeting approved the options grant. The fair value of the options at the date of general meeting approval was NIS 2,698 thousand.

D. On May 18, 2015, options to purchase 1,000,000 ordinary shares were granted to a consultant of the Company. The options will vest according to certain milestones. The exercise price of each option is NIS 0.60. The fair value of the options at the grant date was NIS 240 thousand.

E. On May 21, 2015, the Board of Directors approved the grant of options to purchase a total of 2,680,000 ordinary shares to four Board members, 670,000 options to each. The options will vest over 4 years. Half of the amount will vest two years after the date of the Board approval, and the balance will vest in equal parts at the end of each subsequent month. The exercise price of each option is NIS 0.60.
On July 30, 2015 the Company's general meeting approved the options grant. The fair value of the options at the date of general meeting approval was NIS 1,275 thousand.

NOTE 5 – SUBSEQUENT EVENTS

A. On July 1, 2015 the Company completed raising from institutional investors of USD 2.7 million (net of issue costs of USD 300 thousand). In consideration the Company issued 24,951,000 ordinary shares, 8,623,000 Series G warrants exercisable at an exercise price of NIS 0.80 per share, and 3,852,000 Series H warrants exercisable at an exercise price of NIS 0.8478 per share.

B. On July 9, 2015 the Company signed a non-binding term sheet with a leading US company that specializes in orthopedic products and treatments. According to the term sheet and subject to signing a binding agreement and successful achievement of milestones, the US Company will make payments to the Company for the license to use the Company's technology, payments for achieving clinical and regulatory events, and royalties (single digit percentage) for worldwide sales. The US Company will also participate with the Company to set up a factory in the USA to produce collagen and the medical product.

C. On August 31, 2015, options to purchase 1,300,000 ordinary shares were granted to two new officers of the Company (who are not the CEO and/or a director).
The options will vest over 4 years. One quarter will vest one year after the grant date, and the balance will vest in equal parts at the end of each subsequent quarter. The exercise price of each option is NIS 0.85. The fair value of the options at the grant date was NIS 331 thousand.

Convenience Translation

Chapter C – Update of the part containing a description of the Entity's business to the annual Report for 2014[1] of CollPlant Holdings Ltd.[2]

(The "**Annual Report**" and the "**Company**", respectively)

1. **Update of section 3 (Investments in the Company's equity and transactions in its shares) in Chapter A of the Annual Report**

1.1 Listing of the Company's securities in the US. As part of the Company's plan to increase the accessibility of foreign investors to the Company's activities and the technology it develops, the Company completed in the beginning of March 2015 the listing process of ADR1 type securities (American Depository Receipts level 1), that will be traded OTC (over the counter) at the US OTC. Each ADR is comprised of 100 ordinary shares of the Company, that will be traded OTC in the US under the symbol CQPTY.[3] The Company continues in its efforts to examine additional means of listing and financing to develop its business.

1.2 The addition to the indices at the Tel Aviv Stock Exchange Ltd. ("**TASE**"). On June 10th 2015, the Company's securities were added for listing on the following indices at TASE: the TA-Bluetech Index, the TA-Biomed Index, the TA-MidCap Composite Index and the TA-Composite Index.

1.3 An investment of approximately 3 million dollars in the Company's capital by a number of foreign investors.[4]- On June 3rd 2015 a binding and final Memorandum of Understanding was signed (the "**Agreement**") between the Company and a number of foreign institutional investors (the "**Investors**"), for an initial investment in the Company's capital of 2 million dollars for an offering of ordinary shares of 0.01 par value each of the Company ("**Ordinary Shares**") (at a price of 0.449 ILS per ordinary share) and options for ordinary shares (at an exercise price of 0.80 ILS per option) (hereinafter: the "**Initial Investment**"), as well as for an additional investment of 1 million US dollars (invested in the exercise of the option granted to the Investors under the Agreement) for the offering of ordinary shares (priced according to a predetermined mechanism and totaling 0.4978 ILS per ordinary share) and options for

[1] The Company's Periodic Report for 2014 as published on Magna on March 22nd 2015 [reference no. 2015-01-057259] (the "**Annual Report**").

[2] The update is in accordance with Article 39a of the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970, and includes material changes or innovations in the Company's business, on any matter which must be described (and was not described) in the Company's periodic report, which occurred during the Interim Period and as of the date of publication of this update.

[3] See the Company's immediate report dated February 22nd 2015 [reference no. 2015-01-035485] and dated March 4th 2015 [reference no. 2015-01-043654], included herein by way of reference.

[4] See the Company's immediate report dated June 4th 2015 [reference no. 2015-01-040026] and dated June 17th 2015 [reference no. 2015-01-050007], included herein by way of reference.

ordinary shares (at an exercise price based on a predetermined mechanism and totaling 0.8478 ILS per option) (hereinafter: the "**Additional Investment**"; together with the Initial Investment: the "**Total Investment**" and the "**Offered Securities**", respectively). The Offered Securities were offered to investors, according to a shelf offering report dated June 30th 2015 and the Company's shelf prospectus dated November 25th 2014, as part of 24,951 units (each unit consisted of 1,000 shares, 8,623 warrants (Series G) and 3,852 warrants (Series H), at the price of 11,579 ILS each), by way of a non-standard offering to investors that was fully underwritten.[5] The Total Investment of the Investors and underwriters in the Company's capital totaled about 3 million dollars, against an allocation of a total of 24,951,000 ordinary shares, 8,623,000 options (Series G) and 3,852,000 options (Series H).[6]

1.4 Exercise of options. On June 24th 2015 92,045 warrants of the Company were exercised (granted according to the ESOP) into ordinary shares, at an exercise price of 0.30 ILS in respect of each option. The total consideration received by the Company upon the exercise of such options was 27 thousand ILS.[7]

1.5 **Update of section 10 (New Products), section 13 (Competition) and section 16 (Research and Development); Clinical and Pre-Clinical Trials) in Chapter A of the Annual Report**

1.6 Clinical trials in the product for the treatment of tendinopathy - Vergenix®STR. In January 2015 the Company began the clinical trial in the product for the treatment of tendinopathy, Vergenix®STR, which is a medical product based on the Company's recombinant human collagen and on blood platelet concentrate produced from the patient's blood (in

[5] See the Company's immediate report in respect of the shelf offering report dated June 30th 2015 [reference no. 2015-01-060447], included herein by way of reference. See also the general report dated June 30th 2015 [reference no. 2015-01-060510], included herein by way of reference/ for details on the results of the offering to the Investors, see the Company's immediate report dated July 1st 2015 [reference no. 2015-01-061896], included herein by way of reference.

[6] In this respect it should be clarified that due to changes in the US dollar exchange rate against the shekel, starting from the date of execution of the Agreement until the closing date of the offering of the securities offered to the Investors according to the shelf offering report, the investment amount in shekels allowed the Investors a purchase of 976 units only, i.e. an amount lower by 24 units, representing 2.4% less than the amount of securities agreed upon under the Agreement, and offered to the Investors as part of the shelf offering report. In light of this difference caused due to the dollar amount of the investment specified in the Agreement, the amount in shekels received from the Investors in practice (for 3 million dollars) was lower than the investment amount in shekels, the Investors received 97.6% of the units offered to them according to the shelf report. The balance of the amount was supplemented by the Company through the underwriters for the issue in question, in accordance with the underwriting agreement and thus the investment amounted in terms of dollars to 3.07 million dollars. In view of the differences in foreign currency exchange rates and the reduction in the quantity of securities offered to the Investors, the Company returned to the Investors the missing amount, in a total of about 72 thousand dollars, which is not material to the Company, so that the total dollar investment carried out in the Company after the return, amounted to 3 million dollars.

[7] See the Company's immediate report (amending) dated June 15th 2015 [reference no. 2015-01-056973], included herein by way of reference.

this section: the "**Clinical Trial**" and the "**Medical Product**", respectively).[8] On July 20th 2015 the Company reported the successful completion of the interim phase of the Clinical Trial, with the completion of the monitoring and analysis of the results in respect of half of the patients participating in the trial (10 patients).[9]

The objectives of the Clinical Trial are to demonstrate the safety of the treatment with the product and to assess its performance in patients suffering from tendonitis in the elbow (tendonitis in the elbow also known as Tennis Elbow).[10] According to the protocol of the clinical trial, approved by the authorized bodies (the Ministry of Health and Helsinki Committees in medical centers) those treated received a one-time treatment with the Medical Product (single arm), accompanied by a six-month follow-up process. The product's performance is examined according to several indicators, when include a lessening of the pain level, the tendon's healing and recovery of the patient's range of movement in the hand (hand strength test), and those treated also fill out a designated medical questionnaire.

The analysis of the interim results of the trial with respect to the first ten patients who completed a follow-up period of three months, demonstrates that 80% of patients reported a reduction in pain, improved movement in the affected elbow and improved strength of the treated hand (recovery in the patent's hand movement). In addition, it was demonstrated that the Company's product is safe for use on humans.

The Clinical Trial is being conducted in accordance with accepted standards and under the approvals required for the conducting of clinical trials, and the Company intends on using the clinical data collected for the filing of an application for marketing approval for the product in Europe (CE approval). The Company estimates that the receipt of data and analysis of the trial results with respect to all patients who participated in the trial and submission of the product for marketing approval in Europe (CE) will be completed in 2015.

As of the date of this report, the Company has completed recruitment and treatment of all the patients who participated in the trial (20 patients) In addition, the Company updates that it continues treating additional patients with the aim of gaining clinical data that will serve it in the process of introducing the product in the market, meaning in supporting the process of beginning sales in Europe. The Company anticipates receiving and analyzing the final results of the clinical trial by

[8] See the Company's immediate report dated January 12th 2015 [reference no. 2015-01-009316], included herein by way of reference, as well as section 1.3 of the first quarterly report for 2015 dated May 31st 2015 [reference no. 2015-01-034902] ("**the First 2015 Quarterly Report**"), included herein by way of reference. For more general details on the clinical trial see section 16 of Chapter A (Description of the Corporation's Affairs) of the annual report.

[9] See the Company's immediate report dated July 20th 2015 [reference no. 2015-01-076509], included herein by way of reference.

[10] Pain the elbow area caused following damage to the joint tendon of the muscles extending the forearm.

the beginning of the fourth quarter of 2015 and accordingly it is holding meetings and talks with various groups for the distribution of the medical product in Europe. The Company expects to receive CE approval in 2015 and to begin sales in Europe thereafter. The target market size for the medical product is estimated at an annual scope of approximately 2 billion dollars.

A warning about forward-looking information – the Company's information and estimates as stated above in connection with the timetable for completion of the clinical trials, the target market size, the success in the final results of the trial, including projections, dates, estimated and/or plans of the Company in their respect, are "forward-looking information" as this term is defined in the Securities Law, 5728 – 1968 involving a high degree of uncertainty, and which is based, in part, on third parties and on many variables over which the Company does not necessarily have control, and therefore it is possible that the meeting of timetables for the clinical trial and/or its results, as well as assumptions regarding the relevant market size, are not realized in practice and/or will not be realized in full and/or be realized in a different manner than that anticipated or expected in the first place. Among the factors that could cause the Company's information and evaluation of such information will not be realized in the desired manner, one can specify, among other things, demands for repeat trials, delay in the execution of the clinical trials, amongst other reasons, for the purpose of proving their safety and/or clinical efficacy, and/or trials failure or a disagreement with the regulatory authorities on their results, a change and/or harsher approval policy of the regulatory authorities with respect to the products, cancelation of agreements to conduct the clinical trial, failure to meet additional objectives of the trials and/or schedules and/or failure to obtain funding required by the parties involved on time and in the necessary scope for their continued development (if any)], and the materialization of any of the risk factors as described in section 30 of the Annual Report for 2014.

1.7 Clinical trial for the wound healing gel product – the Vergenix®FG.[11]

1.7.1 On March 2015 the Company reported the successful completion of the interim phase of the clinical trial of the Vergenix®FG syringe, which is a collagen based gel for injection, intended for treating wounds and surgical incisions, including chronic hard healing wounds mainly for diabetics (in this section: the "**Trial**" and the "**Medical Product**", respectively), after completing the monitoring and analysis of the results in respect of half of the patients participating in the trial (10 patients).[12] The Trial

[11] For more details on the clinical trial see the relevant detailing for the medical product in sections 10.4 and section 16 of Chapter A (Description of the Corporation's Affairs) of the annual report as well as section 1.4 of Chapter C of the first quarterly report for 2015, included herein by way of reference.

[12] See the Company's immediate report dated March 18th 2015 [reference no. 2015-01-

objectives are to demonstrate the safety of the product and assess its performance in patients with chronic hard healing wounds on the foot. The Trial is an open (visible) clinical trial, without a control group. According to the clinical trial protocol, which was approved by the competent entities (the Ministry of Health and the Helsinki Committees in the medical centers), patients receive a one-time treatment (single-arm) with the Medical Product that is accompanied by a four weeks follow-up process. The product's performance is examined according to several indicators, when the chief of which is the percentage of wound closure. An analysis of the interim results of the Trial (after treatment of 10 patients out of 20 patients participating in the Trial) showed wounds closure in excellent rates of 80% to 100% in the majority of patients, within four weeks of starting treatment. In addition, the Company demonstrated that the product is safe for use on human subjects.

It will be clarified that the Clinical Trial is conducted in accordance with accepted standards and under the approvals required for the conducting of clinical trials, and the Company intends on using the clinical data collected for the filing of an application for marketing approval for the product in Europe (CE approval).[13]

The Company estimates that the receipt of data and analysis of the trial results with respect to all patients who participated in the trial and submission of the product for marketing approval in Europe (CE) will be completed in 2015. As of the date of this report, 18 patients were recruited and treated (out of 20 patients in total). The trial's progress is according to the Company's plans and the Company expects to receive and analyze the final results of the Clinical Trial in 2015.[14]

According to the Company's plans it is holding meetings and talks with various groups for the distribution of the medical product in Europe and the beginning of sales in the product, after receiving CE approval. The target market size for the medical product is estimated at an annual scope of approximately 3 billion dollars.[15]

A warning about forward-looking information – the Company's information and estimates as stated above in connection with the Company's research and development activities, including product development,

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053488], included herein by way of reference.

[13] See the Company's immediate report dated August 3rd 2015 [reference no. 2015-01-087651], included herein by way of reference.

[14] See the Company's immediate report dated August 3rd 2015 [reference no. 2015-01-087651], included herein by way of reference.

[15] The initial target market size of patients with diabetic ulcers is estimated at $ 300 thousand patients and an annual financial volume of 500 million dollars. Royal Bank of Canada, Healthcare Conference, February 27, 2013, the size of the target market for advanced wound healing is estimated at 3 billion dollars.

their purpose and duration of the completion of the development (if at all), the dates of the commencement of clinical trials of any of the products in human subjects and/or their completion, including the continued development of products and proof of safety and/or efficacy in human subjects, the dates of receipt of permits for product marketing and date of the beginning of product sales, as well as the projection and the dates for submission of applications for approval of various products and receiving permits accordingly, including forecasts, deadlines, estimates and/or plans of the Company in connection with them, are "forward-looking information" as this term is defined in the Securities Law, 5728 – 1968 involving a high degree of uncertainty, and which is based, in part, on third parties and on many variables over which the Company does not necessarily have control, and therefore it is possible that the completion of the development of the products under development, the meeting of deadlines and timetables for development, as well as assumptions regarding future use and the relevant markets, are not realized in practice and/or will not be realized in full and/or be realized in a different manner than that anticipated or expected in the first place.. Among the factors that could cause the Company's information and evaluation of such information will not be realized in the desired manner, one can specify, among other things, delay and/or failure to complete the required clinical trials, trials failure or a disagreement with the regulatory authorities on their results, demand for repeated trials, a change and/or harsher approval policy of the regulatory authorities (or denial of approval) with respect to products under development, failure to meet the objectives of further such trials and/or schedules and/or failure to obtain funding required by the parties involved on time and in the necessary scope for their continued development (if any)], and the materialization of any of the risk factors as described in section 30 in the Annual Report. It is further emphasized that there is no certainty that trials are successful, and the failure of the trial may require an update of the research and development plans, the budgets and schedules, and the Company is exposed to other risks as described in section 30 in the Annual Report, which may have a significant impact, jointly and severally, on these estimates.

1.7.2 A comparative analysis of the performance of Vergenix®FG.[16] As

[16] See the Company's immediate report dated August 3rd 2015 [reference no. 2015-01-087651], included herein by way of reference.

part of the Trial the Company performed an analysis and evaluation of the data obtained thus far against the performance of other products (which are currently in use on the world market), according to public scientific publications made in connection with those other products ("**the Other Publications**").[17] The Company's analysis and assessment of the results of the clinical trial after treatment of 16 patients with the Medical Product, also compared to the performance of other products on the market, as published in the Other Publications, indicate the following:

(a) The closing speed of the ulcers. 50% of patients in the clinical trial with the medical product achieved complete closing of the ulcers already after 4 weeks. Analyzing the results of the trial with another advanced product based on human tissue containing collagen, the growth factors and cells, versus the standard treatment available on the market,[18] the scientific literature reported that the expected rates of wound closure after 4 weeks of treatment are approximately 12% of those treated with the other product, compared to about 2% of those treated with the current standard treatment (see footnote 18(b)). In addition, the healing effect (Jump Start) in the first days of treatment achieved in the clinical trial conducted by the Company showed that 100% of patients responded immediately to the Company's medical product, a significant figure given that the trial only included patients with chronic ulcers defined as hard-healing. There is no comparative data regarding jump start in the Other Publications.

(b) One-time treatment. The treatment given to patients

[17] Below is a list of the public reports the Company relied upon in the analysis and evaluation of the comparative study. **It should be clarified that the Company is unable to confirm or disprove the correctness and accuracy of the data published by other factors which are not under its control, and the Company relies on public data released by the same factors as such only**:

(a) A prospective, open label, single arm, multi-center study to assess the safety and performance of a Wound Flowable Gel (Vergenix®FG) in patients with leg ulcers.
(b) The efficacy and safety of Grafix for the treatment of chronic diabetic foot ulcers: results of a multicenter, controlled, randomized, blinded clinical trial, Lavery et al, International Wound Journal, 2014.
(c) Efficacy of a New Flowable Wound Matrix in Tunneled and Cavity Ulcers: A Preliminary Report, Canonico et al WOUNDS 2015; 27 (6): 15-157.
(d) Blume P et al., Formulated collagen gel accelerates healing rate immediately after application in patients with diabetic neuropathic foot ulcers Wound Repair Regen. 2011 May-Jun; 19 (3): 302-8.
(e) A randomized, controlled trial of Promogran (a collagen / oxidized regenerated cellulose dressing) vs standard treatment in management of diabetic foot ulcers, Veves et al, (Pharm T) - July 2002.

[18] The current standard treatment on the market as described in the scientific article includes freshening (cleansing) of the wound, removing pressure and dressing with a bandage that does not stick to the wound.

under the clinical trial is one-time, while in most other products on the market repeated treatments are required (in the current standard care, up to 30 applications are required). The Company believes that this figure gives its medical product a significant advantage in the costs of medical treatment of ulcers, compared to other products.

2. **Update of section 25 (Material Agreements) in Chapter A of the Annual Report**

2.1. The consortium agreement under the EuroNanomed Program of the European Union. On March 29th 2015 the Audit Committee approved, and on March 22nd the Company's Board of Directors approved the Company's involvement in a consortium of international companies and academic institutions (the "**Consortium**") that shall act as part of a European initiative for the creation of international cooperation in the field of nanotechnology (project EuroNanomed II) and enter into an agreement (the "**Consortium Agreement**"), outlining the framework for a tissue research and development projects using nanotechnology, the Company's recombinant collagen and stem cell technology (the "Project"), which is expected to take approximately 3 years.[19] The Hebrew University will also participate in the Project together with Yissum – Research Development Company of the Hebrew University of Jerusalem Ltd. ("**Yissum**"), when Prof. Oded Shoseyov, who is a director and the Company's Chief Scientific Officer, is the project manager on its behalf. Under the Project, the Company will provide a non-material amount of Collage®, the recombinant collagen raw material manufactured by the Company (the "**Collagen**"), and will be a member of the steering committee for the Project. The Consortium Agreement will be signed by members of the Consortium, including the Company and the Hebrew University, and simultaneously the Company will sign a non-disclosure agreement ("**NDA**") with Yissum and an agreement for transfer of materials ("**MTA**") in connection with the Collagen that shall be used for research and development purposes in the Project (the Consortium Agreement together with the NDA/ MTA shall referred to as the "**Agreements**"). These Agreements shall contain provisions for the protection of the rights of each member of the Consortium and of the intellectual property to be developed, including provisions for the protection of the Company and

[19] See the Company's immediate report dated March 23rd 2015 [reference no. 2015-01-057418], included herein by way of reference.

the Collagen and the intellectual property to be developed (if developed, and to the extent and manner is shall be developed) under the Agreements in connection with the Collagen, whether by the Hebrew University or by other parties participating in the Consortium wishing to make use of the Company's Collagen, as applicable.

2.2. A non-binding memorandum of understanding with a leading company in the US.[20] On July 9th 2015 CollPlant Ltd., a wholly owned subsidiary of the Company ("**CollPlant"**), signed a non-binding memorandum of understanding with a leading US company specializing in products and treatments in the field of orthopedics ("**the American Company**"), for the development and commercialization of a spinal fusion and bone fracture healing product. The comprehensive memorandum of understanding outlines and details the principles for further cooperation between the parties, including the continued development, and production and commercialization of a bioactive implant for spinal fusion and healing bone fractures caused by trauma (the "**Medical Product**"). The Medical Product, consisting of the recombinant human collagen manufactured by CollPlant (the "**Collagen**") and synthetic minerals, mimics the bone structure, allowing for integrated treatment with functional bioactive molecules. According to the memorandum of understanding, subject to the signing of a binding agreement and meeting the milestones, the American Company will transfer to CollPlant payments for the license to use CollPlant's technology, payments for meeting clinical and regulatory milestones and royalties (single-digit rate) for sales worldwide. In addition, the American Company will transfer to CollPlant payments for the construction of a plant in the United States for the production of the Collagen and the Medical Product. The parties are currently working to prepare and sign a binding agreement, which includes additional provisions as customary in agreements of this type, among others, precedent conditions (including obtaining relevant approvals if and to the extent required for the completion of the agreement and its effect), handling and maintaining intellectual property rights, confidentiality clauses, reporting rights, rights of assignment to authorized parties and more. There is no certainty that a binding agreement will indeed be signed. The Company estimates that the size of

[20] See the Company's immediate report dated July 12th 2015 [reference no. 2015-01-070206], included herein by way of reference.

the target market worldwide for the Medical Product in the fields of spinal fusion and trauma, is approximately 3.5 billion dollars per annum.[21]

A warning about forward-looking information – the Company's information and estimates as stated above in connection with the memorandum of understanding progressing into a binding agreement, including the fulfillment of any of the precedent conditions including the signing of a binding agreement, and/or the success of the medical product's development and its progress as planned, including projections, dates, estimates and/or plans of the Company in connection with them, are "forward-looking information" as this term is defined in the Securities Law, 5728 – 1968 involving a high degree of uncertainty, and which is based, in part, on third parties and on many variables over which the Company does not necessarily have control, and therefore the memorandum of understanding progressing into a binding agreement and the schedules and deadlines pertaining to the fulfilment of the precedent conditions and the deadlines pertaining to completion of the negotiations for the execution of the agreement and/or its completion, may not be realized in practice and/or will not be realized in full and/or be realized in a different manner than that anticipated or expected in the first place. Among the factors that could cause the Company's information and evaluation of such information will not be realized in the desired manner, one can specify, among other things, the parties' failure to reach understandings under a binding agreement and/or the existence of disputes that cannot be settled, failure to receive regulatory approvals and/or approval from government authorities as required (if any), including the Chief Scientist, and the materialization of any of the risk factors as described in section 30 of Chapter A (Description of the Corporation's Affairs) of the annual report.

3. **Update of section 16.7.1 (Research and Development – the Chief Scientist Grant) in Chapter A of the Annual Report**

[21] Based on international articles on the subject of the market of orthopedic products, such as:

(1) MediPoint, January 2014, "Bone Grafts and substitutes - Global Analysis and Market Forecasts" Medtech

(2) Insight reports; May 2013; "U.S. Markets for Orthopedic Biomaterials for Bone Repair and Regeneration ".

(3) The Global Orthobiologics Market: Players, products and technologies driving change - 2008 Espicom Business Intelligence

3.1. On June 14th 2015 the Company received approval from the Chief Scientist for CollPlant's R&D program for 2015. The Scientist's approval is for the plans for the production collagen in transgenic plants and use thereof in medical products being developed by CollPlant (in this section "**Letter of Approval**"). The Letter of Approval is under the Encouragement of Industrial Research and Development Law, 5744 – 1984, and subject to certain obligations, restrictions and precedent conditions, as is customary in approvals of this type, including payment of royalties to the state from all of the revenues of CollPlant Ltd. The scope of approved research and development expenses is in the amount of 9.34 million ILS, of which the grant approved amounts to 4.7 million ILS (compared with 4.4 million ILS for the same period last year), and is in the rate of 50%.[22]

4. **Update of section 17.4 (Patents) in Chapter A of the Annual Report**[23]

4.1. On March 2015 the US Patent Office approved the registration of a new patent for CollPlant[24] protecting the methods for the manufacture and use of pro-collagen, and expanding[25] the existing protection in the United States for CollPlant's core technology. The patent's expiration date is April 16th 2029.

4.2. On March 2015 the Canadian Patent Office approved the registration of a patent for CollPlant, protecting CollPlant's core technology,[26] enabling functional collagen production in plants. The patent's expiration date is expected on September 28th 2025.

[22] See the Company's immediate report dated June 14th 2015 [reference no. 2015-01-047049], included herein by way of reference.
[23] For further details about the Company's patent system, which includes a number of patents with expiration dates between the years 2025 – 2029, see section 17.4.1 in Chapter A (Description of the Corporation's Affairs) in the annual report.
[24] See the Company's immediate report dated April 5th 2015 [reference no. 2015-01-074728] and its amendment dated April 7th 2015 [reference no. 2015-01-075304], included herein by way of reference. For more details on the patent approved, see section 17.4.2 of the annual report, serial number 3 in the table.
[25] Collagen protein is created as a pre-enzyme called **pro-collagen**. Pro-collagen is in soluble form when after removing part of the molecule collagen is obtained.
[26] See the Company's immediate reports dated April 6th 2015 [reference no. 2015-01-074926] included herein by way of reference. For more details on the patent approved, see section 17.4.2 of the annual report, serial number 3 in the table.

4.3. On July 2015 the European Patent Office approved the registration of a patent for CollPlant, protecting the methods of production and use of functional pro-collagen from plants, and use of this molecule to accelerate healing of wounds,[27] and expanding the existing protection in Europe for CollPlant's core technology. The patent's expiration date is May 23rd 2029.

5. **Update of section 18 (Human Capital) in Chapter A of the Annual Report**

5.1. On May 21st 2015, the Company's Board of Directors (following the approval of the Audit and Compensation Committee), and on July 30th 2015 the general meeting of shareholders of the Company, approved the granting of a total of 2,680,000 options to four directors of the Company, exercisable into 2,680,000 shares (representing, as of the date of the report, a total of 0.65% of the Company's fully diluted capital). The options will vest over a period of four years, when half will vest two years after the date of granting, and the balance will vest in equal parts at the end of each subsequent month at an exercise price of each option is 60 agorot.[28]

5.2. On May 18th 2015, the Company's Board of Directors, following the approval of the Audit and Compensation Committee, approved the granting of 8,450,000 options to a number of officers (who are not directors or the CEO), employees and consultant of the Company, exercisable into 8,450,000 shares (representing, as of the date of the report, a total of 2.04% of the Company's fully diluted capital). The options will vest over a period of four years (except in respect of the consultant, where they will vest in accordance with the milestones that were determined), at an exercise price of 60 agorot per option.[29]

[27] For more details see section 17.4.2 of Chapter A (Description of the Corporation's Affairs) of the Company's periodic report for 2014 dated March 22nd 2015 [reference no. 2015-01-057259].

[28] See the Company's immediate reports dated May 21st 2015 [reference no. 2015-01-025020], and private placement report (Supplementary) dated July 22nd 2015 [reference no. 2015-01-080421], included herein by way of reference. For the approval of the meeting, see the immediate report regarding the results of the meeting dated August 2nd 2015 [reference no. 2015-01-086766], included herein by way of reference.

[29] See the Company's immediate reports dated May 19th 2015 [reference no. 2015-01-022341], and private placement report (Supplementary) dated June 24th 2015 [reference no. 2015-01-055785], included herein by way of reference.

5.3. On May 18th 2015, the Company's Board of Directors (following the approval of the Audit and Compensation Committee), and on July 30th 2015 the general meeting of shareholders of the Company, approved the granting of 5,670,000 options to the CEO, exercisable into 5,670,000 shares (representing, as of the date of the report, a total of 1.37% of the Company's fully diluted capital). The options will vest over a period of four years, at an exercise price of 60 agorot per option.[30]

5.4. On March 22nd 2015, the Company's Board of Directors (following the approval of the Audit and Compensation Committee) and on July 30th 2015 the general meeting of shareholders of the Company, approved the granting 10 million options (constituting, as of the date of the report, 2.41% of the Company's fully diluted capital), exercisable into 10 million ordinary shares, to the Chief Science Officer (who is also a director of the Company), all in accordance with the Company's option plan and the specific terms and conditions set forth in the option agreement with him. The options will vest over a period of five years, at an exercise price of 60 agorot per option.[31]

5.5. On August 31 2015, the Company's Board of Directors (following the approval of the Audit and Compensation Committee) approved the granting of total 1,300,000 options to two officers of the Company, exercisable into 1,300,000 ordinary shares (constituting a total of 0.31% of the Company's fully diluted capital). The options will vest over a period of four years, at an exercise price of 85 agorot per option.

5.6. On August 31 2015, the Company's Board of Directors approved the Nomination of all its board members, as board members of CollPlant Ltd, a wholly-owned subsidiary of the Company.

Sincerely,

CollPlant Holdings Ltd.

Date: August 31st 2015

Signatories to this report and their position:

Yaron Yaniv, Chairman of the Board of Directors

Yehiel Tal, CEO

[30] See the Company's immediate reports dated May 19th 2015 [reference no. 2015-01-022341], and private placement report (Supplementary) dated July 22nd 2015 [reference no. 2015-01-080406], included herein by way of reference. For the approval of the meeting, see the immediate report regarding the results of the meeting dated August 2nd 2015 [reference no. 2015-01-086766], included herein by way of reference.

[31] See the Company's immediate reports dated March 22nd 2015 [reference no. 2015-01-057307], March 29th 2015 [reference no. 2015-01-065308] and April 13th 2015 [reference no. 2015-01-077764], included herein by way of reference. For the approval of the meeting, see the immediate report regarding the results of the meeting dated August 2nd 2015 [reference no. 2015-01-086766], included herein by way of reference.

Convenience Translation

CollPlant Holdings Ltd.

Part D – Management's Declarations

Declaration by the Chief Executive Officer

In accordance with Regulation 5D(4)(b)-(c) and Regulation 38C(d)(1) to the Securities Regulations (Periodic and Immediate Reports) – 1970.

Declaration by Management

Declaration by the Chief Executive Officer

I, Yehiel Tal, declare that:

(1) I have examined the quarterly report of CollPlant Holdings Ltd. (hereinafter: "**The entity**") for the second quarter of 2015 (hereinafter: "**The reports**");

(2) So far as I am aware, the reports do not contain any incorrect representation of a significant fact and no representation of a significant fact that is required in order for the representations that are included in them, in the light of the circumstances in which those representation are recorded, will not be misleading in relation to the reporting period, is missing;

(3) So far as I am aware, the financial statements and the other financial information that is included in the reports reflects fairly, from all material aspects, the entity's financial position, the results of its operations and its cash flow for the dates and for the periods to which the reports relate;

(4) I have revealed to the entity's auditors, to the entity's Board of Directors and to the Audit Committee of the entity's Board of Directors (which also serves as the Financial Statements Examination Committee), any fraud, whether significant and whether it is not significant, in which the Chief Executive Officer or anyone directly subordinated to him was involved or in which other employees having a significant role in the financial reporting and the disclosures therein and the control thereon was involved.

There is nothing in the aforesaid, which detracts from my responsibility or the responsibility of any other person, under the law.

Date: August 31, 2015

Yehiel Tal, Chief Executive Officer

Declaration by the most senior office holder in the financial field:

In accordance with Regulation 5D(4)(b)-(c) and Regulation 38C(d)(1) to the Securities Regulations (Periodic and Immediate Reports) – 1970.

Declaration by Management

Declaration by the Chief Executive Officer

I, Eran Rotem, declare that:

(1) I have examined the interim financial statements and the other financial information that is included in the reports for the interim period of CollPlant Holdings Ltd. (hereinafter: "**The entity**") for the second quarter of 2015 (hereinafter: "**The reports**" or "**The reports for the interim period**);

(2) So far as I am aware, the interim financial statements and the other financial information that is included in the reports for the interim period do not contain any incorrect representation of a significant fact and no representation of a significant fact that is required in order for the representations that are included in them, in the light of the circumstances in which those representation are recorded, will not be misleading in relation to the reporting period, is missing;

(3) So far as I am aware, the interim financial statements and the other financial information that is included in the reports for the interim period reflects fairly, from all material aspects, the entity's financial position, the results of its operations and its cash flow for the dates and for the periods to which the reports relate;

(4) I have revealed to the entity's auditors, to the entity's Board of Directors and to the Audit Committee of the entity's Board of Directors (which also serves as the Financial Statements Examination Committee), any fraud, whether significant and whether it is not significant, in which the Chief Executive Officer or anyone directly subordinated to him was involved or in which other employees having a significant role in the financial reporting and the disclosures therein and the control thereon was involved.

There is nothing in the aforesaid, which detracts from my responsibility or the responsibility of any other person, under the law.

Date: August 31, 2015

Eran Rotem, Chief Financial Officer