Convenience Translation

CollPlant
Revolutionizing Tissue Repair

CollPlant Holdings Ltd.

Quarterly Report

Third Quarter 2014

Contents

As of the date of this report, the Company is considered to be a "small entity" in accordance with the conditions that are set in Regulation 5C of the Securities Regulations (Periodic and Immediate Report) – 1970 ("The Regulations").

In accordance with a decision by the Company's Board of Directors, the Company has adopted and is implementing a number of the reliefs that have been determined in the Regulations (in so far as such implementation is relevant or will be relevant to the Company), the main reliefs being as follows:

1. **The attachment of very significant evaluation is only to be executed over and above a materiality threshold of 20%;[1]**
2. **The statements of significant affiliated companies are only to be attached to the interim financial statements over and above a threshold for attachment of 40% (the total attachment to the annual financial statements is (remains) 20%;[2]**
3. **An exemption from the implementation of the provisions of the Second Addition in the Regulations (details regarding exposure to market risks and the manner in which they are managed (Glai Report));[3]**
4. **The non-publication of a report in the internal control and a report by the auditor on the internal control, with the attachment of a more limited declaration by management alone.[4]**

---

1 Regulation 5D(b)(1) of the Regulations. In accordance with legal decision SLB105-23 by the staff at the Securities Authority, as updated in March 13, 2014, on the matter of the parameters for the examination of the materiality of evaluations, a "**very significant evaluation in a small entity**", is defined as an evaluation where:

(a) The subject matter of the evaluation constitutes at least 20% of the total assets of the company; **or**

(b) The impact of the change in value as a result of the evaluation on the net income or on the comprehensive income, as the case may be, constitutes at least 20% of the total net income or of the comprehensive income, respectively **and in addition** the impact of the change constitutes at least 10% of the entity's shareholders' equity.

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.

Part A – Board of Directors report regarding company's status as of September 30, 2014

The Company's Board of Directors is honored to present hereby the Board of Directors report regarding the status of the Company ("**CollPlant**" or "**The Company**") and its subsidiary company as of September 30, 2014 and for the period of nine months ended on that date ("**The reporting date**" and "**The interim period**"), in accordance with the Securities Regulations (Periodic and Immediate Reports) – 1970 ("**The report of the Board of Directors for the interim period**"). The report of the Board of Directors for the interim period is attached to the interim consolidated financial statements ("**The interim financial statements**") on the assumption that the said interim financial statements are available to the reader.

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

CollPlant is a medical device company that is focused on regenerative medicine by utilizing its propriety Collagen technology, which is produced from tobacco plants Collplant is developing a substantial range of biomaterials-based products, which are applicable in multiple medical markets, including orthopedics, wound management, and general surgery. The Company's plans include the conducting of clinical trials for two products in 2014: a syringe for healing wounds and a product for healing inflammations in tendons. The Company's plans are to complete the clinical trials for these two products, to receive CE approvals and to make preparations for the start of the sale of these two products in 2015, starting with countries in the European Union. In addition, the Company is continuing to increase efficiency in the production processes for the Collagen protein.

The Gel product for the wound healing

On November 25, 2014, CollPlant started the clinical trial for the syringe product, which contains a gel for healing wounds, with the recruitment and treatment of the first patient.

The product is a human Collagen based gel, which is intended for the treatment of diabetic ulcers, burns, pressure wounds, chronic wounds and surgical wounds.

The clinical trial is expected to last for a few months and its objectives are to prove the safety of the treatment with the gel and to assess its performance on patients who are suffering from chronic wounds on their feet. The trial will be conducted in three wound clinics that are run by the leading health funds in Israel and 20 patients will be treated within the framework of the trial. In accordance with the protocol for the clinical trial, the patients will receive a one-time treatment with the product, which will be accompanied by a four week monitoring process. The efficacy of the treatment will be checked on a number of indices, where the main index that will be checked is the percentage closure of the wound. The size of the market for the healing of the wounds for which the product is intended is estimated at approximately 5 billion Dollars and in accordance with the plans for the start of the sales in 2015, CollPlant is holdings meetings and discussions with international distributors in order to distribute the product in Europe.

The product for the healing of inflammations in tendons

Collplant has completed all of the trials, it has conducted all the tests and it has received the approvals, including from the Ministry of Health, which are required for the purpose of the start of the clinical trial of the project, which is intended for the healing of inflammations in tendons, which it is developing. The objective of the clinical trial for the project is to prove the safety of treatment with the medical product and to assess its performance on humans who are suffering from tendonitis in their joints. 40 patients will be treated within the framework of the clinical trial, which is expected to last for several months, and which will be conducted in three well-known clinics in Israel. The Company intends to start the trials in the coming weeks, upon the recruitment of the first patients.

The size of the target market for the healing of tendonitis patients is estimated at approximately 2 billion Dollars and in accordance with the plans, which envisage the start of sales in 2015, CollPlant has been holding meetings and discussions with an international distributor in recent months, in order to distribute the product in Europe.

1. **Significant changes that have occurred in the Company's operations and in its business and in the figures in its financial statements for the interim period**

The financial position

1.1 Current assets – The balance of the current assets amounted to NIS 15,608 thousand as of September 30, 2014, as compared with NIS 25,505 thousand as of December 31, 2013. The decrease of NIS 9,897 in the balance of the current assets is attributed primarily to the use of the cash balances by the Company in order to invest in product development operations.

1.2 Non-current assets – The balance of the non-current assets amounted to NIS 4,363 thousand as of September 30, 2014, as compared with NIS 4,768 thousand as of December 31, 2013. The change derived primarily from the depreciation and amortization recorded by the Company, in an amount of NIS 611 thousand in respect of fixed and other assets, which was offset by an invest of NIS 209 thousand in fixed assets in the interim period.

1.3 Current liabilities– The balance of the current liabilities amounted to NIS 2,233 thousand as of September 30, 2014, as compared with NIS 3,189 thousand as of December 31, 2013. The decrease in the balance of the current liabilities in the interim period derived from a decrease of NIS 656 thousand in trade payables, primarily in respect providers of services in respect of the recruitments of equity in the fourth quarter of 2013 and a reduction of NIS 300 thousand in liabilities to employees and institutions in respect of employees.

1.4 Equity– The Company's equity amounted to NIS 17,738 thousand as of September 30, 2014, as compared with NIS 27,084 thousand as of December 31, 2013. The decrease in the balance of the equity in the course of the interim period derived from the comprehensive loss of NIS 9,479 thousand for the period, less the component of the benefit in respect of options to employees and consultants in an amount of NIS 133 thousand.

2. **Business activity results**

The following are the Company's condensed statements of income for the periods of nine months and of three months ended September 30, 2014 and 2013 and for the year 2013 (in NIS thousands):

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2014	2013	2014	2013	2013
	Unaudited		Unaudited		Unaudited
	NIS thousands				
Research and development expenses:					
Research and development expenses	11,409	12,114	3,797	3,289	16,151
Participation in research and development expenses	(4,147)	(2,803)	(1,529)	(847)	(3,717)
Research and development expenses, net	7,262	9,311	2,268	2,442	12,434
General and administrative and marketing expenses	2,543	2,297	773	895	3,747
Operating loss	9,805	11,608	3,041	3,337	16,181
Financing expenses (income), net	(326)	172	(359)	28	289
Comprehensive loss for the period	9,479	11,780	2,682	3,365	16,470

The following is an analysis of the operating results:

2.1 Research and development expenses

Research and development expense amounted to NIS 3,797 thousand in the third quarter of 2014, as compared with NIS 3,289 thousand in the comparative quarter in the previous year. The volume of the development expenses has increased by NIS 508 thousand by comparison to the comparative quarter in the previous year and related to the development plan for the products in the orthopedic and wound management fields, and the preparations for the start of the clinical trials, as well as the development of a product in the orthopedic field with a strategic partner.

Research and development expense amounted to NIS 11,409 thousand in the interim period, as compared with NIS 12,114 thousand in the comparative period in the previous year. The decrease of NIS 705 thousand is attributed to the focusing and efficiency plan, which was implemented at the end of the first quarter of 2013. The efficiency plan, details of which have been provided in the periodic reports has focused on the development of orthopedic and wound management products, with a decrease in the size of the workforce, and investment in the development processes in Israel instead of the United States, which has also led to a decrease in the overall development costs in the interim period.

The total amount of the participations in the research and development expenses amounted to NIS 1,529 thousand in the third quarter, as compared with NIS 847 thousand in the comparative quarter in the previous year. The total amount the participations in the research and development expenses amounted to NIS 4,147

thousand in the interim period, as compared with NIS 2,803 thousand in the comparative period in the previous year. The increase is in respect of an increase in the participation by the Chief Scientist in the Company's development plan and in respect of participation by a strategic partner in the development of a product in the course of the second and the third quarters, in accordance with milestones that have been agreed with the Company.

2.2 General and administrative and marketing expenses

General and administrative and marketing expenses amounted to NIS 773 thousand in the third quarter, which ended on September 30, 2014, as compared with NIS 895 thousand in the comparative quarter in the previous year. General and administrative and marketing expenses amounted to NIS 2,543 thousand in the interim period, as compared with NIS 2,297 thousand in the comparative period in the previous year, an increase of NIS 246 thousand, which is attributed to non-recurring expenses, primarily in the course of the first quarter of the year 2014.

2.3 Operating loss

The operating loss amounted to NIS 3,041 thousand and to NIS 3,337 thousand in the quarters ended September 30, 2014 and 2013, respectively. The reduction in the operating loss derived primarily as a result of an increase in the participation by the Chief Scientist in the Company's development plan and from participation by a strategic partner, as described above.

The operating loss amounted to NIS 9,805 thousand in the interim period, as compared to NIS 11,608 thousand in the comparative period in the previous year. The reduction in the operating loss derives from the Company having focused on the development of focused on the development of orthopedic and wound management products, with a decrease in the size of the workforce, and investment in the development processes in Israel instead of the United States, as aforesaid, and from an increase in participation in development expenses by the Chief Scientist in the Company's development plan as well as participation by a strategic partner in the development of a product in the orthopedic field.

2.4 Financing (income) expenses, net

The financing income, net in the third quarter of 2014 amounted to NIS 359 thousand, as compared with financing expenses of NIS 28 thousand in the comparative quarter in the previous year. The Company's financing income derives from exchange differences in respect of balances that are held in foreign currency, against the bank commissions in respect of transactions. This income is attributed primarily in the reporting period to the holdings that are denoted in Dollars as compared to Shekels. The financing income, net amounted to NIS 326 thousand in the as compared with financing expenses of NIS 172 thousand in the comparative period in the previous year. The financing income is attributed primarily in the interim period to the holdings that are denoted in Dollars as compared to Shekels, as compared with the comparative period in the previous year.

2.5 Taxes on income

As of September 30, 2014 and 2013, the Company had significant accumulated losses for tax purposes. Deferred taxes have not been recorded in respect of these losses as a lack of the inability to forecast a tax liability in the future.

2.6 Comprehensive loss for the period.

The comprehensive loss amounted to NIS 2,682 thousand and to NIS 3,365 thousand in the quarters ended September 30, 2014 and 2013, respectively. The loss in the periods of nine months ended on those dates amounted to NIS 9,479 thousand and to NIS 11,780 thousand, respectively.

The decrease in the comprehensive loss in the third quarter, as compared with the comparative quarter in the previous year is attributed to an increase in the participation in the development costs by a strategic partner, as aforesaid.

The reduction in the comprehensive loss, in an amount of NIS 2,301 thousand, in the interim period is credited to the efficiency plan that was executed towards the end of the first quarter in the previous year, which included focusing on the development of orthopedics and wounds management products, with a decrease in the size of the workforce and investment in the development processes in Israel instead of the United States, as described above, as well as from an increase in participation in the Company's development plans by the Chief Scientist and from participation in the development costs of a product in the orthopedic field by a strategic partner.

3. **Liquidity, cash flows and sources of financing**

3.1 The Company has not yet generated profits or positive cash flows from its operating activities. The Company's plans for the continuation of the research and the development of products, manufacturing and marketing in the coming year are supported by sources of financing, which include the Company's cash balances and grants from government authorities and receipts from strategic partners. During the course of the fourth quarter of 2013, the Company completed the recruitment of equity in a net amount of approximately NIS 27.4 million. This consideration will serve the Company, together with the abovementioned external sources of financing, for the financing of the operating activities, including the research and development activities and the financing of the Company's work plan at least until the middle of 2015.

The Company is acting to obtain additional sources of financing, which will enable the continuation of its operations beyond the abovementioned period. These sources include: (1) the signing and execution of additional agreements with companies for the development of joint products, agreements that also include, inter alia, the full financing of the development costs and payments to the Company for a license for the sale of the Company's products in the future; (2) preparations for the start of the sale of the Company’s products, where the preparations include the performance of clinical trials and the presentation of applications for the approval of sales of the Company's products in Europe and discussions and meetings with international distributors, who are candidates for the distribution of the Company's products in Europe and (3) the recruitment of sources of financing from the public and/or from private investors and/or from institutional investors in Israel and overseas in accordance with the developments in sections (1) and (2) above. There can be no certainty regarding the Company's ability to recruit additional sources of financing,

as previously mentioned. See Note 1C to the interim financial statements for additional details.

3.2 Cash flows

3.2.1 Cash flows from operating activities

The net cash absorbed by operating activities in the third quarter of 2014 amounted to NIS 2,698 thousand, as compared with NIS 1,068 thousand in the comparative quarter in the previous year and as compared with NIS 2,669 thousand in the previous quarter (the second quarter of 2014). There was no significant change in the cash absorbed by operating activities by comparison with the previous quarter. The cash absorbed by operating activities in the third quarter of 2014 was NIS 1,630 thousand higher than the comparative quarter in the previous years, which was primarily as the result of a relatively exceptional receipt from the Chief Scientist in the comparative quarter in the previous year, which amounted to NIS 1,987 thousand.

The cash flows from operating activities for the period of nine months ended September 30, 2014 amounted to NIS 9,640 thousand as compared with NIS 8,616 thousand in the comparative period in the previous year. The decrease in the absorption of cash derived primarily as a result of the Company's focusing on orthopedic and wound management products, and from the cost reduction program that has been operated, as aforesaid.

3.2.2 Cash flows from investment activities

The net cash generated by investment activities amounted to NIS 12 thousand, as compared with net cash of NIS 58 thousand that was absorbed by investment activities in the quarters ended September 30, 2014 and 2013, respectively. Furthermore, the cash flows absorbed by investment activities in the period ended September 30, 2014 and 2013 amounted to NIS 209 thousand and NIS 225 thousand, respectively. These cash flows were primarily directed to investments in fixed assets for the Company's development activity.

3.2.3 Cash flows from operating activities

The Company did not generate net cash from the financing activities in the interim period and in the comparative periods in the previous year.

3.3 The sources of financing:

In the interim period, the Company financed its operations from the balances of cash and cash equivalents that were available to it, including grants from government authorities and participation by a strategic partner in the development program.

3.4 Quarterly report regarding the volume of the liabilities in accordance with the repayment times

For details regarding the volume of the Company's liabilities, in accordance with the repayment times, see the separate immediate report that has been presented as of the time of this report.

4. **Remuneration for interested parties and senior office holders**

4.1 In the interim period, no significant changes have occurred in relation to what is stated in the annual report of the Board of Directors in connection with the manner of the examination of the remuneration terms of the office holders in the /Company, their reasonability and the connection between them and the contribution made by the office holders and interested parties in the Company in accordance with the requirements in Regulation 21 of the Securities Regulations (Periodic and Immediate Reports) – 1970.

4.2 For details regarding the remuneration for the senior office holders in the course of the interim period and as of the time of this report, see Part C of this report.

B. Aspects of corporate governance

5. **Details relating to the members of the Board of Directors who have accounting and financial expertise**

5.1 In March 2013, the Company's Board of Directors decided that the minimal number of directors (including external directors) having accounting and financial expertise) who are required in the Board of Directors ("**The minimum number**") shall stand at one.

5.2 During the interim period and as of the time of this report, the number of directors having accounting and financial expertise did not fall below the minimum number.

6. **Details in relation in independent directors**

During the interim period and as of the time of the this report, the Company has not adopted provisions in its articles of association regarding the percentage of the members of the Board of Directors who are independent, within the definition of that term in Section 219(E) of the Companies Law – 1999 ("**The Companies Law**").

7. **Update in relation to an event or matter that has been reported on**

During the interim period and as of the time of the publication this report, the Company has not presented a report on an event or on a matter ("**The original report**"), which might occur at a date that is later than the timing of the original report, an update in which should be presented.

8. **Details regarding the Company's internal auditor**

8.1 The Company's internal auditor complies with all of the conditions that are set in Section 3(A) of the Internal Audit Law- 1992 ("**The Internal Audit Law**"); the internal auditor complies with the provisions of Section 136(B) of the Companies Law, and the provisions of Section 8 of the Internal Audit Law, and she holds office as a senior office holders in the Company under the provisions of the law.

8.2 During the interim period and as of the time of this report, no significant change has occurred in relation to what is described in the annual report of the Board of Directors in connection with the Company's internal auditor.

9. **Details regarding debt certificates that are in circulation**

During the interim period and as of the time of the publication this report, the Company does not have debt certificates that are in circulation

10. **Procedures for the approval of Financial Statements**

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

10.2 As of the time of this report, the members of the Board of Directors are: Yaron Yaniv - Chairman of the Board of Directors, Professor Oded Shoseyov, Rami Armon (External Director), Tony Qian, Efi Cohen-Arazi and Orli Tori (External Director).

10.3 In accordance with the provisions of the Companies Regulations (Provisions and conditions on the matter of the process of the approval of the financial statements) – 2010 ("**The Approval of Financial Statements Regulations**"), the Company's Audit Committee has also been appointed as the Company's Financial Statements Examination Committee (in this section: "**The Committee**"). As of the date of this report, the Committee is comprised of three members: Mr. Rami Armon, an external director and the Chairman of the Committee; Ms. Orli Tori, an external director; and Mr. Efi Cohen Arazi.

10.4 The approval of the interim financial statements involves two meetings, as detailed below: (1) a meeting of the Committee before a meeting of the Board of Directors, for a comprehensive discussion in principle on significant reporting and disclosure issued and for a discussion and the formulation of its recommendations for the purpose of the approval of the interim financial statements by the Board of Directors; (2) a meeting of the Board of Directors, for a discussion of the financial statements and the approval thereof. A draft of the financial statements is passed to the directors several days before the time of each meeting, together with the recommendations.

10.5 In addition to all of the members of the Committee (Rami Armon, Orli Tori and Efi Cohen Arazi), the Company's external auditor, officers and other office holders in the company were invited to and attended the meeting of the Committee, which was held on November 23, 2014, at which the Committee held a discussion and formulated its recommendations to the Board of Directors on the subject of the approval of the interim financial statements.

Within the context of its meeting, the Committee examined the manner of the presentation and received a detailed review by the Company's Chief Financial Officer, inter alia, on the assessments and the estimated that had been made in connection with the interim financial statements, on which figures appearing in the interim financial statements are based, including significant changes in such assessments and the estimates (in so far as there were any), the completeness and the fairness of the reporting and the disclosure in the interim financial statements and the Company's plans for financing its operations in the year following the date of the meeting. The Chief Financial Officer reviews the accounting policy that has been adopted and the accounting treatment that has been implemented on issues that are of significance to the Company before the members of the Committee.

Furthermore, the external auditor related to the issues that had been presented. A discussion was held in the Committee on the subject of the accounting policy and the manner of the presentation and the disclosure in the interim financial statements. The Committee's recommendations were passed to the members of the Board of Directors in writing on November 24, 2014 and the recommended to the Board of Directors to approve the Company's interim financial statements.

10.6 The following persons were present at a meeting of the Board of Directors, which was held on November 27, 2014 and which dealt, inter alia, with the approval of the interim financial statements: Yaron Yaniv, the Chairman of the Board of Directors, Professor Oded Shoseyov, Rami Armon (External Director), Orli Tori (External Director) and Efi Cohen Arazi. In addition to the said members of the Board of Directors, the Company's external auditor, officers and other office holders in the Company, who had been invited and were prepared to answer any question that was raised by members of the Board of Directors, were also present at the meeting.

At the said meeting, the Board of Directors discussed the Committee's recommendation, it reviewed the Company's financial results, its financial position and its cash flows and data were presented on the Company's operations together with a comparison to the previous periods that had been reviewed. Furthermore, the Board of Directors discussed and made a decision regarding the non-inclusion of separate financial information in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) - 1970. The reason for which the Company has not included separate financial data, is in the light if the immaterial impact that separate financial statements would have on the consolidated financial statements and because any additional information would be immaterial in relation to the consolidated financial statements. The timing of the passing of the Committee's recommendations to the members of the Board of Directors is three business days before the said meeting of the Board of Directors, which has been determined to be a reasonable time for the passing of the recommendations, in the light of their extent and their complexity.

During the course of the meeting of the Board of Directors for the approval of the interim financial statements, the principal financial data that are presented in the interim financial statements, interim financial statements and the accompanying information, including on the matters relating to the completeness and the fairness of the disclosure in the interim financial statements were reviewed.

Furthermore, a discussion was held on the sources of financing that the Company will use for the execution of its plans in the coming year. During the course of the discussion, the Company's management responded to questions from the Board of Directors and the external auditor added his comments regarding the interim financial statements. At the end of the said discussion, when it had been clarified that the interim financial statements reflect the state of the Company's business and the results of its operations fairly, the Board of Directors adopted the recommendations of the Committee and approved the Company's interim financial statements.

C. Disclosure provisions in connection with the Company's financial reporting

11. Disclosure regarding subsequent events

To the best of the Company's knowledge, no material events have occurred since the date of the statement of financial position, which are mentioned in the interim financial statements. For additional details regarding events that have occurred since the date of the financial statements, see Note 5 to the interim financial statements. Without detracting from the aforesaid, see also the details in Part C (Update on the entity's business) in this report.

D. Self-purchases

12. Self purchase plan

The Company does not have a plan for the self-purchase of the Company's securities, within the definition of the term "purchase" in Regulation 10(B)(2)(i) of the Regulations.

The Company's Board of Directors wishes to thank the Company's employees and its managers for their contribution to the Company's progress.

Orli Tori-Trobovitz External Director (1)	Yehiel Tal Chief Executive Officer

Date: November 27, 2014

(1) See Note 5C to the financial statements, which are attached to this report.

Convenience Translation

CollPlant Holdings Ltd.
Interim Financial Information
(Unaudited)
September 30, 2014

CollPlant Holdings Ltd.
Interim Financial Information

(Unaudited)
September 30, 2014

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 September 30, 2014 and the condensed consolidated statements of comprehensive loss, changes in equity and cash flows for the nine 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,
November 27, 2014

Kesselman & Kesselman
Certified Public Accountants
Member of PricewaterhouseCoopers International Limited

CollPlant Holdings Ltd.

Condensed consolidated statements of financial position

as at September 30, 2014

	September 30		December 31
	2014	2013	2013
	(Unaudited)		(Audited)
	NIS thousands		
Assets			
Current assets:			
Cash and cash equivalents	14,239	1,289	23,777
Other receivables	1,369	831	1,728
	15,608	2,120	25,505
Non-current assets			
Restricted deposit	536	513	503
Long term receivables	31		67
Property, plant and equipment	2,075	2,465	2,462
Intangible assets	1,721	1,739	1,736
	4,363	4,717	4,768
Total assets	19,971	6,837	30,273
Liabilities and equity			
Current liabilities			
Other payables			
Trade payables	1,200	1,666	1,856
Other	1,033	871	1,333
Total current liabilities	2,233	2,537	3,189
Equity			
Ordinary shares	2,369	1,517	2,369
Share premium	130,918	104,373	130,918
Retained loss	(115,549)	(101,590)	(106,203)
Total equity	17,738	4,300	27,084
Total liabilities and equity	19,971	6,837	30,273

Orly Tori Trubovitz	**Yehiel Tal**	**Eran Rotem**
Outside Director (1)	**CEO**	**CFO**

The interim financial statements were approved by the Company's board of directors on November 27, 2014

(1) See Note 5C to the financial statements.

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

CollPlant Holdings Ltd.

Condensed consolidated statements of comprehensive loss
for the nine and three months ended September 30, 2014

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2014	2013	2014	2013	2013
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
R&D expenses:					
R&D expenses	11,409	12,114	3,797	3,289	16,151
Participation in R&D expenses	(4,147)	(2,803)	(1,529)	(847)	(3,717)
R&D expenses, net	7,262	9,311	2,268	2,442	12,434
General and administrative and marketing expenses	2,543	2,297	773	895	3,747
Loss from operations	9,805	11,608	3,041	3,337	16,181
Financing income	416	24	391		25
Financing expenses	90	196	32	28	314
Financing expenses (income), net	(326)	172	(359)	28	289
Comprehensive loss for the period	9,479	11,780	2,682	3,365	16,470
Basic and diluted loss per share attributable to shareholders of the Company (NIS)	0.04	0.08	0.01	0.02	0.11

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

CollPlant Holdings Ltd.

Condensed consolidated statements of changes in equity
for the nine and three months ended September 30, 2014

	Equity attributable to shareholders of the Company			
	Ordinary shares	**Premium and options**	**Retained loss**	**Total equity**
	NIS thousands			
Balance as at January 1, 2014 (audited)	2,369	130,918	(106,203)	27,084
Movement in the nine months ended September 30, 2014 (unaudited):				
Comprehensive loss for the period			(9,479)	(9,479)
Benefit component in grant of options to employees and consultants			133	133
Balance as at September 30, 2014 (unaudited)	2,369	130,918	(115,549)	17,738
Balance as at January 1, 2013 (audited)	1,517	104,373	(90,195)	15,695
Movement in the nine months ended September 30, 2013 (unaudited):				
Comprehensive loss for the period			(11,780)	(11,780)
Benefit component in grant of options to employees and consultants			385	385
Balance as at September 30, 2013 (unaudited)	1,517	104,373	(101,590)	4,300
Balance as at July 1, 2014 (audited)	2,369	130,918	(112,911)	20,376
Movement in the three months ended September 30, 2014 (unaudited):				
Comprehensive loss for the period			(2,682)	(2,682)
Benefit component in grant of options to employees and consultants			44	44
Balance as at September 30, 2014 (unaudited)	2,369	130,918	(115,549)	17,738
Balance as at July 1, 2013 (audited)	1,517	104,373	(98,345)	7,545
Movement in the three months ended September 30, 2013 (unaudited):				
Comprehensive loss for the period			(3,365)	(3,365)
Benefit component in grant of options to employees and consultants			120	120
Balance as at September 30, 2013 (unaudited)	1,517	104,373	(101,590)	4,300
Balance as at January 1, 2013 (audited)	1,517	104,373	(90,195)	15,695
Movement in 2013				
Comprehensive loss for the year			(16,470)	(16,470)
Benefit component in grant of options to employees and consultants			462	462
Proceeds from issuing shares, less expenses Issue amounting to NIS 668 thousand	169	7,871		8,040
Proceeds from issuing shares and options, less expenses Issue amounting to NIS 1,963 thousand	683	18,674		19,357
Balance as at December 31, 2013 (audited)	2,369	130,918	(106,203)	27,084

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

CollPlant Holdings Ltd.
Condensed consolidated statements of cash flows
for the nine and three months ended September 30, 2014

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2014	2013	2014	2013	2013
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Cash flows from operating activities:					
Net cash used for activities (see appendix)	(9,673)	(8,641)	(2,706)	(1,068)	(13,269)
Interest (received) paid	33	25	8		25
Net cash used for operating activities	(9,640)	(8,616)	(2,698)	(1,068)	(13,244)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(209)	(292)	(12)	(70)	(474)
Restricted deposit		67		12	77
Net cash used in investing activities	(209)	(225)	(12)	(58)	(397)
Cash flow from financing activities:					
Proceeds from issue of shares and options, less issue expenses of NIS 2,631 thousand					27,397
Net cash from finance activities					27,397
Increase (decrease) in cash and cash equivalents	(9,849)	(8,841)	(2,710)	(1,126)	13,756
Cash and cash equivalents at the beginning of the period	23,777	10,308	16,594	2,434	10,308
Gains (losses) from exchange differences for cash	311	(178)	355	(19)	(287)
Cash and cash equivalents at the end of the period	14,239	1,289	14,239	1,289	23,777

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

CollPlant Holdings Ltd.

Condensed consolidated statements of cash flows

for the nine and three months ended September 30, 2014

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2014	2013	2014	2013	2013
	(Unaudited)		(Unaudited)		(Audited)
	NIS thousands				
Appendix to the condensed consolidated statement of cash flow used for operating activities:					
Loss for the period	(9,479)	(11,780)	(2,682)	(3,365)	(16,470)
Adjustments for:					
Depreciation and amortization	611	763	195	234	951
Benefit component for options granted to employees and service providers	133	385	44	120	462
Interest (received) paid	(33)	(25)	(8)		(25)
Exchange differences for pledged deposit	(33)		(38)		
Losses (gains) from exchange differences for cash and cash equivalents	(311)	178	(355)	19	287
	(9,112)	(10,479)	(2,844)	(2,992)	(14,795)
Changes in operating asset and liability items:					
Decrease in other long-term receivables	36	82	9		15
Decrease (increase) in other receivables	359	2,198	(26)	1,987	1,301
Increase (decrease) in trade payables	(656)	(17)	34	3	173
Increase (decrease) in other payables	(300)	(425)	121	(66)	37
	(561)	1,838	138	1,924	1,526
Net cash used for operating activities	(9,673)	(8,641)	(2,706)	(1,068)	(13,269)
Additional information -					
Taxes paid	**18**	**18**	**6**	**6**	**24**

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

CollPlant Holdings Ltd.

Notes to the Condensed Financial Statements
September 30, 2014
(Unaudited)

NOTE 1 - GENERAL

A. CollPlant Holdings Ltd. is a biotechnology medical device company. The Company operates through CollPlant Ltd., a wholly-owned subsidiary engaging in research, development, manufacture and marketing of collagen-based medical products (CollPlant Holdings Limited and CollPlant Ltd. will be referred to below as "the Company" or "CollPlant") CollPlant products are based on recombinant human collagen produced from genetically-modified tobacco plants to produce human collagen . CollPlant uses collagen in the medical field in general and particularly in orthopedics and wound healing.

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 with Regulation 38D 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 information that was reviewed included the following items and their percentage of the consolidated financial statements:

	September 30, 2014	**Percentage of consolidated financial statements**
	NIS thousands	
Cash and cash equivalents	11,459	80%
Assets, with the exception of cash and cash equivalents	106	2%
Current liabilities	253	11%

	Nine months ended September 30, 2014	**Percentage of consolidated financial statements**
	NIS thousands	
Operating expenses	834	9%
Net cash used for operating activities	698	7%

C. The Company has not yet generated income from its operations and recognized losses of NIS 9.5 million in the nine months ended September 30, 2014. The Company also has a negative cash flow of NIS 9.6 million from operating activities. The Company's plan for 2014 focuses on orthopedics, including soft tissue healing and wound healing. The Company's plans include clinical trials for two products in 2014, a syringe for wound treatment and a product to treat inflamed tendons. The Company also continues to streamline manufacturing processes of collagen protein. The Company plans to continue product R&D, production and marketing, supported by financing sources that include the Company's cash balances, government grants, and proceeds from strategic partners for development of products, and from strategic investors. Management believes that these financing sources will allow the Company's operations to continue at least until the end of the second quarter of 2015.

The Company is taking steps to raise additional financing sources to allow the continuation of operations beyond this period. These sources include (1) signing and implementation of additional agreements with product-development companies, agreements that include full financing of development costs, and payments to the Company for a license to sell the Company's products in the future; (2) preparation for the sale of the Company's product, including clinical trials, filing for approval to sell products in Europe, and discussions and meetings with potential international distributors regarding distribution of the Company's products in Europe; and (3) raising finances from the public and/or from private investors and/or institutions in Israel and other countries in accordance with the development of sections (1) and (2) above. It is uncertain whether the Company is able to raise additional finances as aforesaid.

These factors raise substantial doubt regarding the Company's ability to continue as a going concern. 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.

NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

A. The Company's condensed consolidated financial information as at September 30, 2014 ("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 2013 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, 2013.

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 2013.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

As described in the Company's annual financial statements for 2013, amendments to some IFRSs came into effect and are mandatory for accounting periods beginning on January 1, 2014, however their initial application does not have a material effect on the Company's Interim Financial Information (including comparative information).

New IFRSs and amendments to existing IFRSs that are not yet effective and which the Company did not choose to adopt ahead of their effective date are described in the Company's annual financial statements for 2013.

NOTE 4 - CHIEF SCIENTIST

On April 24, 2014, the Chief Scientist of the Ministry of Industry, Trade and Labor approved CollPlant's 2014 R&D plan for development of medical products based on collagen produced from transgenic plants, including a product to treat inflamed tendons and a gel to treat chronic ulcers ("the Letter of Approval"). The Letter of Approval is in compliance with the Encouragement of Industrial Research and Development Law, 1984, and is subject to standard conditions, including royalties paid to the state out of CollPlant's total future revenue. R&D expenses amounting to NIS 9.2 million have been approved, of which the approved grant amounts to NIS 4.4 million.

5 - SUBSEQUENT EVENTS

A. Clinical Trials

On November 26, 2014, the Company announced that it had launched the clinical trial with VergenixTMFG gel for treatment of wounds (in this section: "the Clinical Trial" and "the Medical Product", respectively) and has enrolled and treated the first patient. The Medical Product is a collagen-based gel for diabetic ulcers, burns, pressure ulcers, chronic wounds and surgical incisions.

The Clinical Trial is expected to continue for a few months and aims to demonstrate the safety of the gel and evaluate its performance on patients with chronic foot ulcers. The trial will take place at three HMO wound clinics in Israel and will include 20 patients. According to the protocol of the Clinical Trial, the patients will receive one treatment with the Medical Product and will be monitored over four weeks. A number of parameters will be assessed to evaluate the effectiveness of the treatment, primarily the percentage of wound closure.

NOTE 5 – SUBSEQUENT EVENTS (CONTD.)

B. Approval for compensation options for an officer

On October 29, 2014, the Company's general meeting approved a grant for the chairman of the board of directors, further to the resolution of the Company's board of directors and compensation committee in September 2014. The grant is for 7,241,770 options exercisable for 7,241,770 shares of NIS 0.01 par value, at an exercise price of NIS 0.26 per share. The options will vest over three years. One third will vest one year after the grant date, and the balance will vest in equal parts at the end of each subsequent quarter. The value of the benefit for the options, calculated on the grant date, is NIS 340 thousand.

C. Certification for signing financial statements

On November 27, 2014 the board of directors certified Orli Tori Trubovitz to sign the Directors' Report and financial statements, instead of the chairman of the board, since the latter is technically unable to sign.

Convenience Translation

Part C - Update of the Part containing a description of the Entity's business – To the Annual Report for the year 2013[1] of CollPlant Holdings Ltd[2].

("**The annual report**" and "**The Company**"), respectively

1. **General update to the Part containing a description of the entity's business, which is included in the annual report**

On November 24, 2014, the Company published a supplementary report to the annual report , containing routine updates on its operations, inter alia, on the subject of the Company's products and services, new products, marketing and distribution, clinical trials, intangible assets, restrictions and supervision, significant agreements and the Company's strategic targets.[3] The supplementary report was published immediately before the publication of the Company's shelf prospectus, as detailed below.

2. **Update of section 3 of Part A of the annual report - Investments in the Company's equity and transactions in its shares**

2.1 On November 24, 2014, the Company published a shelf prospectus in accordance with a permit, which it had received from the Securities Authority[4]. In accordance with the shelf prospectus, the Company will be entitled to issue various securities, to the extent and under such conditions as may be determined in shelf offer reports, if and in so far as such reports are published by it in the future.

2.2 An extraordinary private offering to the Chairman of the Company's Board of Directors. On August 21 and August 28, 2014, and on September 8, 2014, the Company's Remuneration Committee and its Board of Directors, respectively and on October 29, 2014, the General Meeting, approved a private allocation of 7,241,770 options (unlisted) to the Chairman of the Company's Board of Directors, as part of the terms governing his period of office as an active Chairman, in accordance with the Company's options plan (in this section: "**The plan**") and the particular terms that were set in the options agreement with him.[5]

2.3 A private offer that is not significant or exceptional to the Vice President for Research and Development. On August 25, 2014 and on September 8, 2014, the

---

1 The Company's periodic report for the year 2013, as published on Magna on March 24, 2014 (Document Number 2014-01-022545).

2 The update is in accordance with Regulation 39A of the Securities Regulations (Periodic and Immediate Reports) – 1970, and it includes significant changes or innovations in the Company's business, on any matter that is to be described (and which has not been described) in the Company's periodic report, which has occurred in the course of the interim period and up to the time of the publication of this update.

3 See the Company's supplementary report dated November 24, 2014 [Document Number 2014-01-201957], which is included hereby by way of the referral.

4 See the Company's immediate report dated November 24, 2014 [Document Number 2014-01-202704], which is included hereby by way of the referral.

5 See the Company's report on a significant offer dated September 15, 2014 [Document Number 2014-01-158352], which is included hereby by way of the referral.

Company's Remuneration Committee and its Board of Directors, respectively, approved an insignificant allocation of 400,000 options (unlisted) to the Vice President for Research and Development, as part of his terms of employment and period of office, in accordance with the plan and the particular terms that were set in the options agreement with him.[6]

2.4 The expiry of option warrants (Series D)

On November 25, 2014, all of the Company's option warrants (Series D) expired.[7]

3. Update of section 10 (New products), 16.2 (Clinical trials) and 28.4 (Targets) in Part A to the annual report

3.1 Regarding the timing of the performance and the completion of the two products that have been developed by the Company (Verrgenix®STR and Vergenix®FG), in September 2014 the Company updated the forecasts in respect of the start of the performance and the completion of the clinical trials, which it is carrying out on these products, such that the two clinical trials on the said products will be starting in 2014, and that the timing of the completion of the clinical trials, the presentation of the applications, the receipt of the CE approvals and the preparations for the start of the sales in Europe, will occur in 2015.

3.2 **The Gel product for wound healing**

On November 25, 2014, CollPlant started the clinical trials with its Vergenix®FG syringe, which contains a gel for treating wounds, with the recruitment and treatment of the first patient[8]. The product is a human Collagen based gel, which is intended for the treatment of diabetic ulcers, burns, pressure wounds, chronic wounds and surgical wounds. The clinical trial is expected to last for a number of months and its objectives are to prove the safety of treatment with the gel and to assess its performance on patients who are suffering from chronic wounds in the feet. The trial will be conducted in three wounds clinics run by the leading health funds in Israel and 20 patients will be treated within the framework of the trial. In accordance with the protocol for the clinical trial, the patients will receive a one-time treatment with the product, which will be accompanied by a four week monitoring process. The efficacy of the treatment will be checked on a number of indices, where the main index that will be checked is the percentage closure of the wound. The size of the market for the initial target that of patients with diabetic ulcers, is estimated at approximately 300 thousand patients with an annual financial scale of approximately 500 million Dollars.[9] The size of the market for the advanced wound healing is estimated at approximately 5 billion Dollars[10] and in accordance with the plans for

---

6 See the Company's report on an insignificant offer dated September 11, 2014 [Document Number 2014-01-156420], which is included hereby by way of the referral.

7 See the Company's immediate reports dated October 30, 2014 [Document Number 2014-01-184557], and dated November 25, 2014 [Document Number 2014-01-204336], which are included hereby by way of the referral.

8 For full details regarding the clinical trials for this product, see the Company's immediate reports dated May 18, 2014 [Document Number 2014-01-065919] and dated November 9, 2014 [Document Number 2014-01-190449], which are included hereby by way of the referral.

9 Royal Bank of Canada, Healthcare Conference, February 27, 2013.

10 Wound Management Products: United States, May 2012, Freedonia Focus Reports, www.freedoniafocus.com.

the start of the sales in 2015, CollPlant is holdings meetings and discussions with international distributors in order to distribute the product in Europe[11].

3.3 **The product for the healing of inflammations in tendons**

Collplant has completed all of the trials, it has conducted all the tests and it has received the approvals, including from the Ministry of Health, which are required for the purpose of the start of the clinical trial with the product, which is intended for the healing of inflammations in tendons, which it is developing - Vegeneix®STR. The objective of the clinical trial is to prove the safety of treatment with the product and to assess its performance on humans who are suffering from tendonitis in Tennis elbow. In accordance with the protocol for the clinical trial, which has been approve by the duly authorized bodies, the patients will receive one-time treatment with the product, without a control group. The efficacy of the treatment will be checked on a number of indices, with the main index being checked being the level of the pain. 40 patients will be treated within the framework of the clinical trial, which is expected to last for several months, and which will be conducted in three well-known clinics in Israel. The Company intends to start the trials in the coming weeks, upon the recruitment of the first patients. The size of the target market for the healing of tendonitis patients is estimated at approximately 2 billion Dollars and in accordance with the plans, which envisage the start of sales in 2015, CollPlant has been holding meetings and discussions with an international potential distributor in recent months, in order to distribute the product in Europe.

<u>Caution regarding forward looking information</u> – The Company's information and estimates as aforesaid, in connection with the Company's research and development activities, including the development of products, their designated usage and the length of time needed for the completion of their development (if relevant, the timing of the start of the clinical trials of any of the products on people and/or the completion thereof including the length of time needed for the development of the products and the proof of their safety and/or efficacy on people, the timing of the receipt of approvals for the marketing of the product and the timing of the start of the sale of the products, as well as the expectation and the timing regarding the filing of applications for the approval of the various products and the receipt of approvals in accordance with them, including the Company's forecasts, timings, assessments and/or plans in connection therewith, are "forward looking information", within the definition of that term in the Securities Law – 1968, which involves a high level of uncertainty, and which is based, inter alia, on third parties and on numerous factors over which the Company does not necessarily have control, and accordingly, it is possible that the completion of the development of the products that are under development the timings and the timetables for the development, will not actually be realized and/or may not be realized in full and/or they may be realized in a significantly different manner from what was originally expected.

Among the factors that might cause the company's information and assessments in respect of the said information not to be realized in the desired manner, one can note, inter alia, a delay in and/or prevention of the completion of the clinical trials that are required, a lack of success

[11] See the Company's immediate report dated November 26, 2014 [Document Number 2014-01-204609], which is included hereby by way of the referral.

in the trials or a lack of agreement with the regulatory authorities regarding their results, requirements to perform repeat trials, a change and/or a stiffening of the approval policy (or the non-granting of approval) on the part of the regulatory authorities in relation to the products that are being developed, the non-meeting of the targets for additional trials, as aforesaid and/or the timetables and/or the non-obtaining of the financing that is required by the persons who are involved at the time and to the extent that are required for the continuation of their development (if relevant) and the realization of any of the risk factors that apply to the Company, as stated in Section 30 of the annual report. It is further emphasized that there can be no certainty that the trials will succeed, and a lack of success in the trials could require the updating of the research and development programs, the budgets and the timetables, and that the Company would be exposed to additional risk factors, as detailed in Section 30 of the annual report, which might have a significant impact, jointly and severally, on the Company's assessments, as aforesaid.

4. **Update of section 17.4 of Part A to the annual report – Patents**

4.1 In August 2014, CollPlant received approval for the registration of a patent in Israel, which protects the enzyme-based method for turning Procollagen recombinant using non-living sources.[12] The patent, which protects the abovementioned technology is wholly owned by Collplant. The registration of the patent, the number of which is 205270, has been registered in the name of CollPlant, in accordance with an application, which was filed on October 26, 2008 and with precedence as from October 26, 2007. The patent will expire on October 26, 2028[13].

4.2 In November 2014, CollPlant received notification from the European Union's Patent Office, of its intention to grant an additional patent[14] to CollPlant in Europe. The additional patent in Europe. The additional patent relates to a method for the production of Collagen in plants. The patent protects the basic elements in the process dealing with DNA for giving expression to significant enzymes, which are vital for the process of the production of Collagen in a plant, and cells and plants that contain the said DNA. In this way, the patent expands the protection over CollPlant's core technology.

5. **Update of section 18 of Part A to the annual report – Human capital**

5.1 In September 2014, the Company appointed a Vice President of Research and Development.[15] Furthermore, on October 29, 2014, the terms covering the Company's active Chairman's period of office[16] were approved, and in addition, the

---

[12] For additional details regarding the patent, see serial 2 in the second table in Section 17.4.1 of Part A (Description of the entity's business) in the annual report.

[13] See the Company's immediate report dated August 18, 2014 [Document Number 2014-01-135837], which is included herein by way of the referral.

[14] For additional details regarding CollPlant's first patent in Europe, see the second table in Section 17.4.1 of Part A (Description of the entity's business) in the annual report.

[15] See the Company's immediate report dated September 8, 2014 [Document Number 2014-01-153588], which is included herein by way of the referral.

[16] See the Company's immediate report dated September 15, 2014 [Document Number 2014-01-158352], which is included herein by way of the referral.

appointment and the terms covering the period of office of the external director who holds office for an additional period were also approved[17]. Furthermore, Mr. Efi Cohen-Arazi has been appointed as a member of the Balance Sheet and Audit Committee, in addition to his holding office as a member of the Compensation Committee and in addition, his remuneration was also approved, in accordance with the Regulations for the Remuneration of External Directors.[18]

6. **Update of section 24of Part A to the annual report – - Restrictions and supervision – Business Licensing**

6.1 In continuation of what is stated in Section 24.5.2 in Part A of the annual report, the Company has received a business license for the Company's site at the Science Park in Ness Ziona, which contains laboratories and office space, which is in force until December 31, 2019.

Yours sincerely

CollPlant Holdings Ltd.

Date: November 27, 2014

Names of the persons signing on this report and their positions:

Orli Tori-Trobovitz, External Director (1)

Yehiel Tal, Chief Executive Officer

(1) See Note 5C to the financial statements, which are attached to this report.

[17] See the Company's immediate report dated September 15, 2014 [Document Number 2014-01-158256], which is included herein by way of the referral.

[18] See the Company's immediate reports dated November 23, 2014 [Document Number 2014-01-201189] and dated November 23, 2014]Document Number 2014-01-201198, which are included herein by way of the referral.

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 third quarter of 2014 (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: November 27, 2014

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 third quarter of 2014 (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: November 27, 2014

Eran Rotem, Chief Financial Officer