UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 6-K

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

For the month of September 2018
Commission File Number 001-38370

CollPlant Holdings Ltd.

(Exact name of registrant as specified in its charter)

3 Sapir Street, Weizmann Science Park
Ness Ziona 74140, Israel
(Address of principal executive office)

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

Form 20-F ☒ Form 40-F ☐

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

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

On September 21, 2018, CollPlant Holdings Ltd. (the "Company") issued a press release entitled "CollPlant Reports Second Quarter 2018 Financial Results and Provides Business Update". In addition, on the same day, the Company issued condensed consolidated interim financial statements (unaudited) as of June 30, 2018 together with the Company's Operating and Financial Review and Prospects for the same period.

Attached hereto and incorporated by reference herein are the following exhibits:

99.1	Press Release, dated September 21, 2018.
99.2	Condensed Consolidated Interim Financial Statements (unaudited) as of June 30, 2018.
99.3	Operating and Financial Review and Prospects as of June 30, 2018.

SIGNATURES

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

COLLPLANT HOLDINGS LTD.

Date: September 21, 2018

By: /s/ Eran Rotem
Name: Eran Rotem
Title: Deputy CEO and Chief Financial Officer

Exhibit 99.1

CollPlant Reports Second Quarter 2018 Financial Results and Provides Business Update

Ness Ziona, September 21, 2018, CollPlant (NASDAQ:CLGN, TASE:CLGN), a regenerative medicine company utilizing its proprietary plant-based rhCollagen technology for tissue repair products (recombinant human, "rhCollagen"), today announced financial results for the second quarter ended June 30, 2018 and provided an update on the Company's business developments. Certain metrics, including those expressed on an adjusted basis, are non-GAAP measures. See "Use of Non-IFRS (non-GAAP) Measures" below.

CollPlant reported revenues of $170,000 (NIS 653,000) for the second quarter of 2018. The Company ended the second quarter of 2018 with $2.6 million (NIS 9.4 million) in cash and cash equivalents, and received an additional $1.25 million in July through a private placement, while comprehensive loss for the second quarter of 2018 was $1.5 million (NIS 5.6 million) on a GAAP basis, or adjusted comprehensive loss of $1.2 million (NIS 4.5 million), on a non-GAAP basis.

"We are very pleased to report that during the second quarter of 2018, we have successfully produced high yield batches of rhCollagen, as well as scaled-up the BioInk production in our new cGMP production facility. This constitutes an important milestone in our plan to become a market leader in the field of regenerative medicine, and as a leading supplier of BioInks for 3D bioprinting of tissues and organs. The production facility bolsters our competitiveness by yielding higher margins on our products and by serving as a process development center where we continue to develop our groundbreaking BioInk formulations" stated Yehiel Tal, CollPlant's Chief Executive Officer.

"During the second quarter, CollPlant received grant approval from the Israel Innovation Authority (IIA) supporting the continued development of BioInk formulations. Additionally, we recently received funding from investors, when in May, we completed the third investment round from an investor of $1 million, and, in July, we raised another $1.25 million through a private placement with another investor, bringing the total amount raised in the last year to $9.2 million," Mr. Tal added.

"In addition to the progress we made with our BioInks, we are continuing the development of next-generation dermal fillers for the aesthetic medicine market. Based on our work with major market players in the fields of 3D bioprinting of tissues and organs, and medical aesthetics, we believe that CollPlant's rhCollagen is the ideal building block for regenerative medicine scaffolds" concluded Mr. Tal.

Second Quarter 2018 Financial Results on IFRS basis ("GAAP")

Revenues for the three months ended June 30, 2018 increased 209% to $170,000 (NIS 653,000), compared to $55,000 (NIS 201,000) in the second quarter of 2017. Revenues were derived from sales in the U.S. of CollPlant's BioInk for development of 3D bioprinting of organs, as well as sales in Europe of mainly, CollPlant's soft tissue repair matrix, VergenixSTR, for treating tendinopathy.

The Company's gross profit for the three months ended June 30, 2018 increased 91% to $105,000 (NIS 415,000) compared to $55,000 (NIS 201,000) in the second quarter of 2017.

Total operating costs and expenses were $1.4 million (NIS 5.4 million) compared to $1.6 million (NIS 5.9 million) in the second quarter of 2017. The net decrease in the amount of $200,000 is attributed to a 2018 grant from the Israel Innovation Authorities, supporting the Company's development program of rhCollagen based BioInk, for 3D bioprinting of tissues and organs.

Operating loss was $1.3 million (NIS 5.0 million) compared to an operating loss of $1.6 million (NIS 5.7 million) in the second quarter of 2017. Comprehensive loss for the second quarter of 2018 was $1.5 million (NIS 5.6 million), or $0.01 (NIS 0.03) per share, compared to a comprehensive loss of $1.6 million (NIS 5.8 million), or $0.01 (NIS 0.04) per share, for the second quarter of 2017.

Second Quarter 2018 Financial Results on Non-IFRS Basis ("non-GAAP")

On a non-GAAP basis, the operating costs and expenses for the second quarter of 2018 were $1.2 million (NIS 4.4 million), compared to $1.5 (NIS 5.4 million) for the second quarter of 2017. The comprehensive loss for the second quarter of 2018 was $1.2 million (NIS 4.5 million), or $0.01 (NIS 0.03) per share, compared to $1.5 million (NIS 5.4 million), or $0.01 (NIS 0.04) per share, for the second quarter of 2017. Non-GAAP measures exclude certain non-cash expenses. The table at the end of this press release titled "Reconciliation of GAAP to Non-GAAP Financial Measures" includes a reconciliation of the Company's GAAP results to non-GAAP results. The reconciliation reflects non-cash expenses in the amount of $273,000 (NIS 1.1 million) in the second quarter of 2018, with respect to fair market value attributed to services received through a securities purchase agreement with an investor (the "Share Purchase Agreement"), recognition of unrecognized day one loss and share-based compensation to employees, directors and consultants.

Use of Non-IFRS ("non-GAAP") Measures

This press release contains certain non-GAAP financial measures for operating costs and expenses, operating loss, comprehensive loss and basic and diluted comprehensive loss per share that exclude the effects of non-cash expense for fair market value attributed to services received through the Share Purchase Agreement, recognition of unrecognized day one loss, and share-based compensation to employees, directors and consultants. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company's performance that enhances management's and investors' ability to evaluate the Company's operating costs, comprehensive loss and loss per share, and to compare them to historical Company results.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when operating and evaluating the Company's business internally and therefore decided to make these non-GAAP adjustments available to investors. The non-GAAP financial measures used by the Company in this press release may be different from the measures used by other companies.

For more information on the non-GAAP financial measures, please see the "Reconciliation of GAAP to Non-GAAP Financial Measures" table on page 8 in this press release. This accompanying table on page 8 has more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

For the convenience of the reader, the amounts have been translated from NIS into U.S. dollars, at the representative rate of exchange as of June 30, 2018 (U.S. $1.00 = NIS 3.650).

The Company's consolidated financial results for the six months ended June 30, 2018 are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

About CollPlant

CollPlant is a regenerative medicine company focused on 3D bioprinting of tissues and organs, and on developing and commercializing tissue repair products for orthobiologics, and advanced wound care markets. Our products are based on our rhCollagen (recombinant human collagen) that is produced with CollPlant's proprietary plant based genetic engineering technology.

Our products address indications for diverse fields of organ and tissue repair, and are ushering in a new era in regenerative medicine. Our flagship rhCollagen BioInk product line is ideal for 3D bioprinting of tissues and organs, and our unique Vergenix line of rhCollagen products includes a soft tissue repair matrix for treating tendinopathy and a wound repair matrix to promote a rapid optimal healing of acute and chronic wounds.

For more information about CollPlant, visit http://www.collplant.com

Safe Harbor Statements

This press release may include forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to CollPlant's objectives plans and strategies, as well as statements, other than historical facts, that address activities, events or developments that Collplant intends, expects, projects, believes or anticipates will or may occur in the future. These statements are often characterized by terminology such as "believes," "hopes," "may," "anticipates," "should," "intends," "plans," "will," "expects," "estimates," "projects," "positioned," "strategy" and similar expressions and are based on assumptions and assessments made in light of management's experience and perception of historical trends, current conditions, expected future developments and other factors believed to be appropriate. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. Many factors could cause CollPlant's actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the following: the Company's history of significant losses and its need to raise additional capital and its inability to obtain additional capital on acceptable terms, or at all; the Company's expectations regarding the timing and cost of commencing clinical trials with respect to tissues and organs which are based on its rhCollagen based Bioink, VergenixSTR, and VergenixFG; the Company's ability to obtain favorable pre-clinical and clinical trial results; regulatory action with respect to rhCollagen based BioInk, VergenixSTR, and VergenixFG including but not limited to acceptance of an application for marketing authorization, review and approval of such application, and, if approved, the scope of the approved indication and labeling; commercial success and market acceptance of the Company's rhCollagen based BioInk, VergenixSTR, and VergenixFG; the Company's ability to establish sales and marketing capabilities or enter into agreements with third parties and its reliance on third party distributors and resellers; the Company's ability to establish and maintain strategic partnerships and other corporate collaborations; the Company's reliance on third parties to conduct some or all aspects of its product manufacturing; the scope of protection we are able to establish and maintain for intellectual property rights and the Company's ability to operate its business without infringing the intellectual property rights of others; the overall global economic environment; the impact of competition and new technologies; general market, political, and economic conditions in the countries in which the Company operates; projected capital expenditures and liquidity; changes in the Company's strategy; and litigation and regulatory proceedings. More detailed information about the risks and uncertainties affecting Collplant is contained under the heading "Risk Factors" included in CollPlant's most recent annual report on Form 20-F filed with the SEC, and in other filings that Collplant has made and may make with the SEC in the future. The forward-looking statements contained in this press release are made as of the date of this press release and reflect CollPlant's current views with respect to future events, and Collplant does not undertake and specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact at CollPlant:

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COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

	Convenience translation into USD					
	Six months ended June 30	Three months ended June 30	Six months ended June 30		Three months ended June 30	
	2018	2018	2017	2018	2017	2018
	USD in thousands		NIS in thousands			
Revenue	392	170	453	1,432	201	653
Cost of Revenue	89	65	-	324	-	238
Gross Profit	303	105	453	1,108	201	415
Operating costs and expenses:						
Research and development expenses, net:	1,863	591	8,340	6,802	4,298	2,335
General, administrative and marketing expenses	1,792	812	2,930	6,539	1,589	3,094
Total operating costs and expenses:	3,655	1,403	11,270	13,341	5,887	5,429
Operating loss	3,352	1,298	10,817	12,233	5,686	5,014
Financial income	(128)	(18)	-	(469)	-	(82)
Financial expenses	289	173	220	1,054	159	646
Financial expenses, net	161	155	220	585	159	564
Comprehensive loss	3,513	1,453	11,037	12,818	5,845	5,578
Basic and diluted loss per ordinary share (NIS/USD)	0.02	0.01	0.09	0.06	0.04	0.03
Weighted average ordinary shares outstanding	206,884,141	217,428,969	124,504,278	206,884,141	130,598,626	217,428,969

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	Convenience translation into USD June 30 2018	June 30 2018	December 31 2017
	USD in thousands	NIS in thousands	
Assets			
Current assets:			
Cash and cash equivalents	2,565	9,363	17,817
Accounts receivables:			
Trade receivables	423	1,544	354
Other	587	2,144	3,543
Inventory	642	2,345	700
	4,217	15,396	22,414
Non-current assets:			
Restricted deposit	145	530	503
Long-term receivables	43	157	92
Property and equipment, net	1,480	5,402	3,582
Intangible assets, net	373	1,363	1,454
	2,041	7,452	5,631
TOTAL ASSETS	6,258	22,848	28,045
Liabilities and equity			
Current liabilities -			
Accounts payable**:**			
Trade payables	643	2,350	2,922
Accrued liabilities and other	425	1,550	1,996
	1,068	3,900	4,918
Non-current liabilities			
Debentures at fair value	-	-	12,639
Warrants at fair value	1,267	4,625	-
Derivatives	23	84	141
Royalties to the Israel Innovation Authority	299	1,092	1,203
Loan	58	210	-
Long-term payables	-	-	61
	1,647	6,011	14,044
Total liabilities	2,715	9,911	18,962
Equity:			
Ordinary shares	1,405	5,128	4,998
Additional paid in capital and warrants	52,839	192,868	178,467
Accumulated deficit	(50,701)	(185,059)	(174,382)
TOTAL EQUITY	3,543	12,937	9,083
TOTAL LIABILITIES AND EQUITY	6,258	22,848	28,045

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Convenience translation into USD	Six months ended June 30	
	2018	2017	2018
	USD in thousands	NIS in thousands	
Cash flows used in operating activities:			
Comprehensive loss for the period	(3,513)	(11,037)	(12,818)
Adjustments for:			
Depreciation and amortization	164	601	600
Share-based compensation to employees and consultants	588	1,056	2,141
Changes in fair market value of services received through the Alpha Agreement	419	-	1,530
Recognition of unrecognized day one loss	119	-	433
Exchange differences on cash and cash equivalents	(16)	75	(59)
Loss from changes in fair value of financial instruments	161	-	589
Exchange differences on restricted cash	(7)	50	(27)
	(2,085)	(9,255)	(7,611)
Changes in operating asset and liability items:			
Increase in trade receivables	(326)	-	(1,190)
Increase in inventory	(451)	(63)	(1,645)
Decrease (increase) in other receivables (including long-term receivables)	(54)	2,757	(196)
Decrease) in trade payables (including long-term payables)	(139)	(2,998)	(507)
Decrease (increase) in accrued liabilities and other payables	(122)	169	(446)
Increase (decrease) in royalties to the IIA	(30)	(26)	(111)
	(1,122)	(161)	(4,095)
Net cash used in operating activities	(3,207)	(9,416)	(11,706)
Cash flows from investing activities:			
Purchase of property and equipment	(638)	(45)	(2,329)
Net cash used in investing activities	(638)	(45)	(2,329)
Cash flows from financing activities:			
Proceeds from issue of shares and warrants, net of issue expenses	1,490	6,788	5,438
Exercise of warrants into shares	-	3,618	-
Loan received	58	-	210
Payments made for equipment on financing terms	(35)	(127)	(126)
Net cash provided by financing activities	1,513	10,279	5,522
Increase (Decrease) in cash and cash equivalents	(2,332)	818	(8,513)
Cash and cash equivalents at the beginning of the period	4,881	3,797	17,817
Exchange differences on cash and cash equivalents	16	(75)	59
Cash and cash equivalents at the end of the period	2,565	4,540	9,363
Non-cash investing activities:			
Conversion of Debentures to pre-paid warrant	3,482		12,708

CollPlant Holdings Ltd.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)

	Convenience translation into USD					
	Six months ended June 30	Three months ended June 30	Six months ended June 30		Three months ended June 30	
	2018	2018	2017	2018	2017	2018
	USD in thousands		NIS in thousands			
GAAP gross profit	303	105	453	1,108	201	415
GAAP operating costs and expenses:	3,655	1,403	11,270	13,341	5,887	5,429
Fair market value attributed to services received through the Alpha Agreement	419	(16)	-	1,530	-	-
Share-based compensation to employees, directors and consultants	588	268	1,056	2,141	471	1,017
Non-GAAP operating costs and expenses:	2,648	1,151	10,214	9,670	5,416	4,412
GAAP operating loss	3,352	1,298	10,817	12,233	5,686	5,014
Non-GAAP operating loss	2,345	1,046	9,761	8,562	5,215	3,997
GAAP Comprehensive loss	3,513	1,453	11,037	12,818	5,845	5,578
Fair market value attributed to services received through the Alpha Agreement	419	(16)	-	1,530	-	-
Recognition of unrecognized day one loss	119	21	-	433	-	89
Share-based compensation to employees, directors and consultants	588	268	1,056	2,141	471	1,017
Non-GAAP Comprehensive loss	2,387	1,180	9,984	8,714	5,374	4,472
GAAP Basic and diluted loss per ordinary share (NIS/USD)	0.02	0.01	0.09	0.06	0.04	0.03
Non-GAAP Basic and diluted loss per ordinary share (NIS/USD)	0.01	0.01	0.08	0.04	0.04	0.02

Exhibit 99.2

CollPlant Holdings Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2018

CollPlant Holdings Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2018

TABLE OF CONTENTS

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	Convenience translation into USD June 30 2018	June 30 2018	December 31 2017
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Assets			
Current assets:			
Cash and cash equivalents	2,565	9,363	17,817
Accounts receivables:			
Trade receivables	423	1,544	354
Other	587	2,144	3,543
Inventory	642	2,345	700
	4,217	15,396	22,414
Non-current assets:			
Restricted deposit	145	530	503
Long-term receivables	43	157	92
Property and equipment, net	1,480	5,402	3,582
Intangible assets, net	373	1,363	1,454
	2,041	7,452	5,631
TOTAL ASSETS	6,258	22,848	28,045
Liabilities and equity			
Current liabilities -			
Accounts payable**:**			
Trade payables	643	2,350	2,922
Accrued liabilities and other	425	1,550	1,996
	1,068	3,900	4,918
Non-current liabilities			
Debentures at fair value	-	-	12,639
Warrants at fair value	1,267	4,625	-
Derivatives	23	84	141
Royalties to the Israel Innovation Authority	299	1,092	1,203
Loan	58	210	-
Long-term payables	-	-	61
	1,647	6,011	14,044
Total liabilities	2,715	9,911	18,962
Equity:			
Ordinary shares	1,405	5,128	4,998
Additional paid in capital and warrants	52,839	192,868	178,467
Accumulated deficit	(50,701)	(185,059)	(174,382)
TOTAL EQUITY	3,543	12,937	9,083
TOTAL LIABILITIES AND EQUITY	6,258	22,848	28,045

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

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

	Convenience translation into USD					
	Six months ended June 30	Three months ended June 30	Six months ended June 30		Three months ended June 30	
	2018	2018	2017	2018	2017	2018
	USD in thousands		NIS in thousands			
Revenue	392	170	453	1,432	201	653
Cost of Revenue	89	65	-	324	-	238
Gross Profit	303	105	453	1,108	201	415
Operating costs and expenses:						
Research and development expenses, net:	1,863	591	8,340	6,802	4,298	2,335
General, administrative and marketing expenses	1,792	812	2,930	6,539	1,589	3,094
Total operating costs and expenses:	3,655	1,403	11,270	13,341	5,887	5,429
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Financial income	(128)	(18)	-	(469)	-	(82)
Financial expenses	289	173	220	1,054	159	646
Financial expenses, net	161	155	220	585	159	564
Comprehensive loss	3,513	1,453	11,037	12,818	5,845	5,578
Basic and diluted loss per ordinary share (NIS/USD)	0.02	0.01	0.09	0.06	0.04	0.03
Weighted average ordinary shares outstanding	206,884,141	217,428,969	124,504,278	206,884,141	130,598,626	217,428,969

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

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

	Ordinary shares	Additional paid-in capital and warrants	Accumulated deficit	Total equity
	Convenience translation into USD in thousands			
BALANCE AS AT JANUARY 1, 2018	1,369	48,895	(47,776)	2,488
CHANGES IN THE SIX MONTH PERIOD ENDED JUNE 30, 2018:				
Comprehensive loss			(3,513)	(3,513)
Share-based compensation			588	588
Conversion of Debentures to Prepaid warrants		3,482		3,482
Issue of shares, net of issue expenses of USD 96 thousand	36	462		498
BALANCE AT JUNE 30, 2018	1,405	52,839	(50,701)	3,543

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

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

	Ordinary shares	Additional paid-in capital and warrants	Accumulated deficit	Total equity
	NIS in thousands			
BALANCE AS AT JANUARY 1, 2018	4,998	178,467	(174,382)	9,083
CHANGES IN THE SIX MONTH PERIOD ENDED JUNE 30, 2018:				
Comprehensive loss			(12,818)	(12,818)
Share-based compensation			2,141	2,141
Conversion of Debentures to Prepaid warrants		12,708		12,708
Issue of shares, net of issue expenses of NIS 350 thousand	130	1,693		1,823
BALANCE AT JUNE 30, 2018	5,128	192,868	(185,059)	12,937
BALANCE AS AT JANUARY 1, 2017	3,207	159,864	(157,911)	5,160
CHANGES IN THE SIX MONTH PERIOD ENDED JUNE 30, 2017:				
Comprehensive loss			(11,037)	(11,037)
Share-based compensation			1,056	1,056
Issue of shares and warrants, net of issue expenses of NIS 404 thousand	635	6,153		6,788
Exercise of warrants into shares	302	3,316		3,618
BALANCE AT JUNE 30, 2017	4,144	169,333	(167,892)	5,585

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

COLLPLANT HOLDINGS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Convenience translation into USD		
	Six months ended June 30		
	2018	2017	2018
	USD in thousands	NIS in thousands	
Cash flows used in operating activities:			
Comprehensive loss for the period	(3,513)	(11,037)	(12,818)
Adjustments for:			
Depreciation and amortization	164	601	600
Share-based compensation to employees and consultants	588	1,056	2,141
Changes in fair market value of services received through the Alpha Agreement	419	-	1,530
Recognition of unrecognized day one loss	119	-	433
Exchange differences on cash and cash equivalents	(16)	75	(59)
Loss from changes in fair value of financial instruments	161	-	589
Exchange differences on restricted cash	(7)	50	(27)
	(2,085)	(9,255)	(7,611)
Changes in operating asset and liability items:			
Increase in trade receivables	(326)	-	(1,190)
Increase in inventory	(451)	(63)	(1,645)
Decrease (increase) in other receivables (including long-term receivables)	(54)	2,757	(196)
Decrease) in trade payables (including long-term payables)	(139)	(2,998)	(507)
Decrease (increase) in accrued liabilities and other payables	(122)	169	(446)
Increase (decrease) in royalties to the IIA	(30)	(26)	(111)
	(1,122)	(161)	(4,095)
Net cash used in operating activities	(3,207)	(9,416)	(11,706)
Cash flows from investing activities:			
Purchase of property and equipment	(638)	(45)	(2,329)
Net cash used in investing activities	(638)	(45)	(2,329)
Cash flows from financing activities:			
Proceeds from issue of shares and warrants, net of issue expenses	1,490	6,788	5,438
Exercise of warrants into shares	-	3,618	-
Loan received	58	-	210
Payments made for equipment on financing terms	(35)	(127)	(126)
Net cash provided by financing activities	1,513	10,279	5,522
Increase (Decrease) in cash and cash equivalents	(2,332)	818	(8,513)
Cash and cash equivalents at the beginning of the period	4,881	3,797	17,817
Exchange differences on cash and cash equivalents	16	(75)	59
Cash and cash equivalents at the end of the period	2,565	4,540	9,363
Non-cash investing activities:			
Conversion of Debentures to pre-paid warrant	3,482		12,708

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

NOTE 1 - GENERAL:

A. CollPlant Holdings Ltd. is a regenerative medicine company focused on developing and commercializing tissue repair products, initially for three-dimensional bio-printing of tissues and organs, aesthetics, orthobiologics, and advanced wound care markets. CollPlant's products are based on its rhCollagen, a form of human collagen produced with CollPlant's proprietary plant-based genetic engineering technology. Two of the Company's products received during 2016 a CE approval that enables their marketing in Europe. The Company commenced marketing of the said products.

The Company operates through CollPlant Ltd., a wholly-owned subsidiary (CollPlant Holdings Limited and CollPlant Ltd. will be referred to hereinafter as "the Company" and "CollPlant", respectively).

B. The Company's plans for the following twelve months include continuing to focus on the 3D bio-printing of tissues and organs, aesthetics, orthopedics and advanced wound healing. The plan includes the following: (i) expanding the Company's 3D bio-printing presence and pursuing joint ventures to position CollPlant's bioink as a key component in the field of 3D bioprinting, (ii) developing the next generation of dermal fillers, (iii) increasing the sales in Europe of VergenixFG, a product for the treatment of chronic and surgical wounds, and (iv) increasing the sales of VergenixSTR, a product for the treatment of tendinopathy, under an exclusive distribution agreement with Arthrex for its distribution in Europe, the Middle-East, India and certain African countries.

The Company plans to continue research and development, production and marketing in the following twelve months, supported by funding sources that include the Company's cash balances, the Israel Innovation Authority ("IIA") grants and proceeds from a financing in the total amount of $1.25 million (see note 7).

Based on its current cash resources and commitments, the Company believes it will be able to maintain its current planned development, manufacturing and marketing activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that it will not need additional funds prior to such time. However, if there are unexpected increases in sales, general and administrative expenses or research and development expenses, the Company will need to seek additional financing.

C. Convenience translation into U.S. dollars ("dollars", "USD" or "$")

For the convenience of the reader, the reported New Israeli Shekel ("NIS") amounts as of June 30, 2018 and for the six and three months ended June 30, 2018 have been translated into dollars, at the representative rate of exchange on June 30, 2018 (USD 1 = NIS 3.65). The dollar amounts presented in these condensed consolidated interim financial statements should not be construed as representing amounts that are receivable or payable in dollars or convertible into dollars, unless otherwise indicated.

D. Approval of financial statements

These condensed financial statements were approved by the board of directors on September 20, 2018.

NOTE 2 - BASIS OF PRESENTATION:

A. General

The Company's condensed consolidated interim financial statements as of June 30, 2018 and for the three and six months then ended (the "interim financial statements") have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34"). These interim financial statements, which are unaudited, do not include all disclosures necessary for a fair statement of financial position, results of operations, and cash flows in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2017 and for the year then ended and their accompanying notes, which have been prepared in accordance with IFRS. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the results that may be expected for the entire fiscal year or for any other interim period.

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, 2017.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and calculation methods applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements as of December 31, 2017 and for the year then ended.

A. Amendments to existing standards which become effective since 2018:

1) International Financial Reporting Standard 15 "Revenues from Contracts with Customers" ("IFRS 15"):

IFRS 15 replaces the directives on the subject of recognizing revenues that previously existed under International Financial Reporting Standards and introduces a new revenue model from customer contracts.

The core principle of IFRS 15 is that revenues from contracts with customers must be recognized in a way that reflects the transfer of control of goods or services supplied to customers in the framework of the contracts by amounts which reflect the proceeds that the entity expects that it will be entitled to receive for those goods or services.

IFRS 15 sets forth a single model for recognizing revenues, according to which the entity will recognize revenues according to the said core principle by implementing five stages:

(1) Identifying the contract(s) with the customer.

(2) Identifying the separate performance obligations in the contract.

(3) Determining the transaction price.

(4) Allocating the transaction price to separate performance obligations in the contract.

(5) Recognizing revenue when (or as) each of the performance obligations is satisfied.

The Company has applied IFRS 15 using the modified retrospective approach starting on January 1, 2018, in accordance with the transitional directive, which allows recognition of the cumulative effect of the initial application as an adjustment to the opening balance of equity of initial application.

The initial implementation of IFRS 15 did not have a material effect on the consolidated financial statements of the Company.

2) International Financial Reporting Standard 9 "Financial Instruments" ("IFRS 9"):

IFRS 9 deals with the classification, measurement and recognition of financial assets and financial liabilities. The full version of IFRS 9 was published in July 2014. This Standard replaces the present existing directives in International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") regarding the classification and measurement of financial instruments. IFRS 9 leaves the measurement model connected with measuring financial assets, but simplifies it and sets forth three main categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification is based on the business model of the entity and on characteristics of the contractual cash flows of the financial asset. Investments in capital instruments will be measured at fair value through profit or loss. Nevertheless, the entity's management can choose, on the date of initial recognition, irrevocably, to present the changes in fair value of an investment in a capital instrument in other comprehensive income, without recycling them to profit or loss.

The Standard presents a new model for an impairment of financial instruments, based on the Expected Credit Loss Model. This model replaces the existing model in IAS 39, which is based on the Incurred Loss Model. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at fair value in other comprehensive income and contract assets under IFRS 15 Revenue from Contracts with Customers. The new model, may result in an earlier recognition of credit losses.

Regarding classification and measurement of financial liabilities, there were no changes, excluding the recognition of changes in the fair value of liabilities designated to the fair value through "profit or loss" category, resulting from the entity's own credit risk, in other comprehensive income.

The Company has applied IFRS 9 retroactively starting on January 1, 2018, in accordance with the transitional directive, which allows recognition of the cumulative effect of the initial application as an adjustment to the opening balance of equity of initial application.

The initial implementation of IFRS 9 did not have a material effect on the consolidated financial statements of the Company.

B. Standards which are not yet effective and have not been early adopted by the Group:

IFRS 16 "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 "Leases".

IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the statements of comprehensive loss. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019 with early adoption allowed only if IFRS 15 "Revenue from Contracts with Customers" is also applied. The Company is currently evaluating the impact of adoption on its consolidated financial statements.

NOTE 4 - FINANCIAL INSTRUMENTS

The Company's financial liability at fair value through profit or loss is the obligation for warrants and anti-dilution derivatives.

The following table presents the Company's financial liabilities measured at fair value, net of unrecognized day 1 loss:

	June 30, 2018
	NIS in thousands
Fair value of convertible warrants	7,194
Unrecognized Day 1 Loss	(2,568)
Warrants, net	4,626

NOTE 5 - EQUITY:

A. On January 14, 2018, the Company's shareholders approved (i) the grant of 3,750,000 options to purchase 3,750,000 ordinary shares to Yehiel Tal, the chief executive officer, (ii) the grant of 650,000 options to purchase 650,000 ordinary shares to Adi Goldin, a director and former chairman, (iii) the grant to each of the directors, Abraham Havron, David Tsur and Scott Burell, of 500,000 options to purchase 500,000 ordinary shares, (iv) the grant to each of Gili Hart, external director, and Elan Penn, external director, of 500,000 options to purchase 500,000 ordinary shares, and (v) the annual and attendance compensation to David Tsur, in accordance with the fixed amounts in accordance with the Companies Law. Following their approval, each of the foregoing options may be exercised at a price per option of NIS 0.58 and the options will vest over four years, in which one quarter will vest one year after the grant date and the remaining balance will vest in equal parts at the end of each subsequent quarter.

B. On January 18, 2018, the Company signed Security Purchase Agreements for the purchase and sale, in a private placement, of an aggregate of 4,344,340 ordinary shares for an aggregate of NIS 2.2 million to the following three investors as follows: (i) Alpha entered into a Security Purchase Agreement for the purchase of 1,275,340 ordinary shares for NIS 638 thousands; (ii) an investor entered into a Security Purchase Agreement for the purchase of 2,046,000 ordinary shares for NIS 1 million; and (iii) Docor International BV entered into a Security Purchase Agreement for the purchase of 1,023,000 ordinary shares for NIS 511 thousand. Closing occurred on January 25, 2018.

C. On January 31, 2018, in connection with the Alpha Purchase Agrement signed on September 6, 2017, Debentures in the aggregate principal amount of $3,375,144 were automatically converted into a Pre-Funded Warrant to purchase 39,322,742 ordinary shares represented by 786,455 ADSs.

On April 30, 2018, the Company completed the third closing of the Alpha Purchase Agreement, which resulted in the issuance to Alpha of a pre-paid warrant to purchase 9,921,482 ordinary shares represented by 198,430 ADSs and the Alpha Warrant to purchase up to 49,607,407 ordinary shares represented by 992,149 ADSs, at an exercise price of NIS 36.14 per ADS ($10.28 per ADS), for gross proceeds of $1 million. As the Alpha Warrant includes an anti-dilution protection and other rights, they are classified as financial liabilities measured at fair value through profit or loss at each reporting period.

D. On March 1, 2018, an extraordinary general meeting of the shareholders of the Company, approved the increase of the authorized share capital of the Company by 250,000,000 ordinary shares to 750,000,000 ordinary shares, par value NIS 0.03 per share.

E. On March 20, 2018 the board of directors resolved to delist all of Company's securities from trading on the TASE. In accordance with the Israeli Securities Law and the rules of the TASE, as the Company had four different series of warrants traded on the TASE, in order to effectuate the resolution, the Company was required to enter into an arrangement between the Company, shareholders and the holders of warrants, pursuant to Section 350 of the Israeli Companies Law.

On April 16, 2018, the Company petitioned the District Court of Lod, Israel, or the Court, to approve the convening of a shareholders' meeting and meetings of holders of Series I Warrants and Series K Warrants, in order to approve an arrangement for the delisting of all of Company securities from TASE and the reduction of the exercise price of Series I and Series K Warrants to NIS 0.4 each, or the Arrangement. The holders of Series G Warrants and Series H Warrants were not part to the Arrangement as such warrants expire before the expected date of the delisting of the Company's securities from the TASE. On July 29 2018, the Court approved the Arrangement, following its approval by the different meetings of shareholders and holders of Series I and Series K Warrants. The last date of trading of the ordinary shares, Series I Warrants and Series K Warrants on the TASE will be on October 29, 2018.

F. On July 11, 2018, following the Company's board of directors and shareholders' approval, the Company issued to Alpha a pre-paid warrant to purchase 1,060,000 ordinary shares represented by 21,200 ADSs, in connection with services Alpha provided to the Company. The issuance in fair market value of NIS 492 thousands was accounted as share based compensation and recognized as an expense within "general, administrative and marketing expenses" in the statements of comprehensive loss.

NOTE 6 - REVENUES

A. Revenues by geographical area (based on the location of customers):

	Six months ended June 30		Three months ended June 30	
	2017	2018	2017	2018
	NIS in thousands		NIS in thousands	
United states and Canada	36	1,129	36	472
Europe	417	303	165	181
Total	453	1,432	201	653

B. Major customers

Set forth below is a breakdown of Company's revenue by major customers (major customer –revenues from these customers constitute at least 10% of total revenues in a certain period):

	Six months ended June 30		Three months ended June 30	
	2017	2018	2017	2018
	NIS in thousands		NIS in thousands	
Customer A	-	933	-	326
Customer B	297	213	94	156
Customer C	120	65	71	-
Customer D	-	141	-	141

NOTE 7 - SUBSEQUENT EVENT:

On July 26, 2018, the Company entered into a Securities Purchase Agreement with an investor, pursuant to which the Company issued on July 31, 2018, in a private placement, 11,125,000 ordinary shares for an aggregate purchase price of NIS 4,561,250 (approximately $1.25 million).

Exhibit 99.3

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Form 6-K and our Annual Report on Form 20-F for the year ended December 31, 2017 (the "Annual Report").

Unless the context requires otherwise, the terms "CollPlant," "we," "us," "our," "the Company," and similar designations refer to CollPlant Holdings Ltd. and its wholly owned subsidiary CollPlant Ltd. References to "ordinary shares", "ADSs", "warrants" and "share capital" refer to the ordinary shares, ADSs, warrants and share capital, respectively, of CollPlant.

References to "U.S. dollars" and "$" are to currency of the United States of America, and references to "NIS" are to New Israeli Shekels. References to "ordinary shares" are to our ordinary shares, par value NIS 0.03 per share. We report financial information under International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, and none of the financial statements were prepared in accordance with generally accepted accounting principles in the United States.

Unless otherwise indicated, U.S. dollar translations of NIS amounts presented herein are translated using the rate of NIS 3.65 to $1.00, the exchange rate reported by the Bank of Israel on June 30, 2018.

Forward Looking Statements

Certain information included in this discussion may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition, expected capital needs and expenses, statements relating to the research, development, completion and use of our products, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments, and other factors they believe to be appropriate.

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

- our history of significant losses and our need to raise additional capital and our inability to obtain additional capital on acceptable terms, or at all;
- our expectations regarding the timing and cost of commencing clinical trials with respect to tissues and organs which are based on our rhCollagen based Bioink, VergenixSTR, and VergenixFG;
- our ability to obtain favorable pre-clinical and clinical trial results;
- regulatory action with respect to rhCollagen based BioInk, VergenixSTR, and VergenixFG including but not limited to acceptance of an application for marketing authorization, review and approval of such application, and, if approved, the scope of the approved indication and labeling;
- commercial success and market acceptance of our rhCollagen based BioInk, VergenixSTR, and VergenixFG;
- our ability to establish sales and marketing capabilities or enter into agreements with third parties and our reliance on third party distributors and resellers;
- our ability to establish and maintain strategic partnerships and other corporate collaborations;

- the scope of protection we are able to establish and maintain for intellectual property rights and our ability to operate our business without infringing the intellectual property rights of others;
- the overall global economic environment;
- the impact of competition and new technologies;
- general market, political, and economic conditions in the countries in which we operate;
- projected capital expenditures and liquidity;
- changes in our strategy;
- litigation and regulatory proceedings; and
- those factors referred to under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report, as well as in the Annual Report generally.

Readers are urged to carefully review and consider the various disclosures made throughout the following discussion which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

You should not put undue reliance on any forward-looking statements. Any forward-looking statements in the following discussion are made as of the date hereof and are expressly qualified in their entirety by the cautionary statements included in the following discussion. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Overview

We are a regenerative medicine company focused on developing and commercializing tissue repair products, initially for three-dimensional, or 3D, bioprinting of tissues and organs, aesthetics, orthobiologics and advanced wound care markets. Our products are based on our rhCollagen, a form of human collagen produced with our proprietary plant-based genetic engineering technology. We believe our technology is the only commercially viable technology available for the production of genetically engineered, or recombinant, human collagen. We believe that our rhCollagen, which is identical to the type I collagen produced by the human body, has significant advantages compared to currently marketed tissue-derived collagens, including improved biological function, superior homogeneity, and reduced risk of immune response. We believe the attributes of our rhCollagen make it suitable for numerous tissue repair applications throughout the human body. We believe that the annual market opportunity for two of our current products utilizing our rhCollagen within the orthobiologics and advanced wound care markets exceeds $5 billion.

Our rhCollagen has superior biological function when compared to any tissue-derived collagens, whether from animal or human tissues, according to data published in peer-reviewed scientific publications. Our rhCollagen can be fabricated in different forms and shapes including gels, pastes, sponges, sheets, membranes, fibers, and thin coats, all of which have been tested *in vitro* and in animal models and proven superior to tissue-derived products. We have demonstrated that, due to its homogeneity, rhCollagen can produce fibers and membranes with high molecular order, meaning all the molecules are oriented in the same direction, which enables the formation of tissue repair products with distinctive physical properties. We produce our rhCollagen in genetically engineered tobacco plants, assuring an abundant supply of high quality raw materials.

Our three leading rhCollagen-based products are:

- ***CollPlant rhCollagen-based BioInk for use in the 3D printing of tissues and organs.*** Our flagship BioInk product line provides an ideal building block for three dimensional bioprinting of tissues and organs. The BioInk is being developed to enable the printing of three-dimensional scaffolds combined with human cells and/or growth factors as a basis for tissue or organ formation. In addition to collagen, CollPlant's BioInk formulations can include other proteins and/or polymers as well. Our BioInk is being developed to be compatible with numerous 3D bioprinting technologies and with printed organ characteristics.
- ***VergenixSTR, a soft tissue repair matrix composed of our rhCollagen and PRP extracted from the patient's blood***. VergenixSTR is intended to accelerate healing in the treatment of tendinopathy, such as in the elbow tendon (for treatment of "tennis elbow"), rotator cuff, patellar tendon, Achilles tendon, and hand tendons. VergenixSTR forms a viscous gel matrix to serve as a scaffold in the vicinity of a tendon injury site. Following the scaffold formation, our rhCollagen activates the platelets in PRP to provide sustained release of growth factors, which promote healing and repair of tendon injuries. In August 2016, we completed an open label, single arm, multi-center clinical trial of VergenixSTR in Israel. In October 2016, we received CE marking certification for VergenixSTR which is required for a product to be marketed in the European Union. We are seeking to hold a pre-Investigational Device Exemption meeting with the FDA in the fourth quarter of 2018. In November 2016, we entered into an exclusive distribution agreement with Arthrex GmbH in Munich, Germany, an affiliate of Arthrex, Inc., for VergenixSTR covering Europe, the Middle East, India, and certain African countries and sales began in Europe.

- ***VergenixFG, a wound-filling flowable gel made from our rhCollagen.*** VergenixFG is intended to enhance the quality and speed of closure of deep surgical incisions and wounds, including diabetic ulcers, burns, bedsores, and other chronic wounds. The VergenixFG formulation provides a scaffold that fills the wound site and establishes intimate contact with the surrounding tissue. VergenixFG provides complete coverage of the wound site, facilitates wound closure through an engineered synchronization between scaffold degradation and growth of new tissue, and offers a non-allergenic and pathogen-free scaffold for safe and efficacious wound care therapy. We completed an open label, single arm, multi-center clinical trial of VergenixFG in Israel to support CE marking certification. In February 2016, we received CE marking certification for VergenixFG. Since then we have entered into distribution agreements for the distribution of VergenixFG in several European countries, and we are in the process of entering into additional distribution agreements in Europe.

Financial Operations Overview

Revenue

To date, we have not generated significant revenues from sales of our products. Our ability to generate significant revenues will depend on the successful commercialization of our rhCollagen-based BioInk, VergenixSTR and VergenixFG. In the six months ended June 30, 2018, we reported revenues of NIS 1.4 million from the sale of VergenixSTR and VergenixFG in Europe and the sales of rhCollagen-based BioInk in the United States.

Operating Expenses

Research and Development Expenses

Research and development expenses consist of costs incurred for the development of both of our rhCollagen and our products. Those expenses include:

- employee-related expenses, including salaries and share-based compensation expenses for employees in research and development functions;
- expenses incurred in operating our laboratories and small-scale manufacturing facility;
- expenses incurred under agreements with CROs and investigative sites that conduct our clinical trials;
- expenses relating to outsourced and contracted services, such as external laboratories, consulting, and advisory services;
- supply, development, and manufacturing costs relating to clinical trial materials;
- maintenance of facilities, depreciation, and other expenses, which include direct and allocated expenses for rent and insurance; and
- costs associated with preclinical and clinical activities.

Research and development activities are the primary focus of our business. Products in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase in absolute dollars in future periods as we continue to invest in research and development activities related to the development of our products.

Our total research and development expenses, net, for the six months ended June 30, 2018 were NIS 6.8 million. The research and development expenditures on our rhCollagen technology and our products for the six months ended June 30, 2018 were partly funded in the amount of NIS 958,000 by government grants. We charge all research and development expenses to operations as they are incurred.

There are numerous factors associated with the successful commercialization of any of our products, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time. Additionally, future commercial and regulatory factors beyond our control will affect our clinical development programs and plans.

Participation in Research and Development Expenses

Our research and development expenses are net of the following participations by third parties.

Participation by the Israel Innovation Authority. We have received grants from the Israeli Innovation Authority, or IIA part of the research and development programs for our rhCollagen technology and our products. The requirements and restrictions for such grants are found in the Innovation Law and the regulations promulgated thereunder. These grants are subject to repayment through future royalty payments on any products resulting from these research and development programs, including rhCollagen based BioInk, VergenixSTR and VergenixFG. Under the Innovation Law and related regulations, royalties of 3% - 6% on the income generated from sales of products and from related services developed in whole or in part under IIA programs are payable to the IIA, up to the total amount of grants received, linked to the U.S. dollar and bearing interest at an annual rate of LIBOR applicable to U.S. dollar deposits, as published on the first business day of each calendar year. The total gross amount of grants actually received by us from the IIA as of June 30, 2018 totaled approximately USD 9.7 million. As of June 30, 2018, we paid royalties to the IIA in the amount of USD 227,000.

In addition to paying any royalty due, we must abide by other restrictions associated with receiving such grants under the Innovation Law that continue to apply following repayment to the IIA. These restrictions may impair our ability to outsource manufacturing or otherwise transfer our know-how outside of Israel and may require us to obtain the approval of the IIA for certain actions and transactions and pay additional royalties and other amounts to the IIA. For more information, see "Item 3.D. Risk Factors—Risks Related to Our Financial Condition and Capital Requirements—The IIA grants we have received for research and development expenditures restrict our ability to manufacture products and transfer know-how outside of Israel and require us to satisfy specified conditions." If we fail to comply with the Innovation Law, we may be subject to civil claims and criminal charges.

Research and development grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing sales. The amount of the liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest that reflects the appropriate degree of risks inherent in our business. The change in the fair value of the liability associated with grants from the IIA is reflected as an increase or decrease in our research and development expenses for the relevant quarter.

Under applicable accounting rules, the grants from the IIA have been accounted for as an off-set against the related research and development expenses in our financial statements. Our balance sheet liabilities include obligations regarding royalties that we are obligated to pay to the IIA based on future sales of our products. As a result, our research and development expenses are shown on our financial statements net of the IIA grants, and the participation in research and development expenses are shown on our financial statements net of the provision for IIA royalties. See Note 2G in our consolidated financial statements for the year ended December 31, 2017 in our Annual Report for more information.

Participation by collaborators. In 2011, we entered into a joint development agreement with Pfizer for the development of a product for the orthopedic market, the Surgical Matrix Carrier, comprised of a growth factor and our rhCollagen, along with other components. This agreement expired in 2013. From 2013 to 2017, this co-development continued with Bioventus, which acquired the rights for commercialization of the growth factor from Pfizer and to whom Pfizer assigned certain of its rights and obligations under the 2011 joint development agreement. In 2017, the co-development with Bioventus terminated.

General, Administrative, and Marketing Expenses

Our general and administrative expenses consist principally of:

- employee-related expenses, including salaries, benefits, and related expenses, including equity-based compensation expenses;
- legal and professional fees for auditors and other consulting expenses not related to research and development activities;
- cost of offices, communication, and office expenses;
- information technology expenses; and
- business development and marketing activities.

We expect that our general, administrative, and marketing expenses will increase in the future as our business expands and we incur additional general and administrative costs associated with being a public company in the United States, including compliance under the Sarbanes-Oxley Act and rules promulgated by the SEC. These public company-related increases will likely include costs of additional personnel, additional legal fees, audit fees, directors' liability insurance premiums, and costs related to investor relations. We also expect that our marketing expenses will increase, as we will incur additional marketing costs associated with the commencement of sales, when and if our products are approved.

Financial Income/Financial Expense

Financial income includes interest income regarding short term deposits and exchange rate differences. Financial expense consists primarily of exchange rate differences and bank commissions.

Taxes on Income

We do not generate taxable income in Israel, as we have historically incurred operating losses resulting in carry forward tax losses. As of December 31, 2017, we have incurred operating losses of approximately NIS 10.9 million for CollPlant Holdings Ltd. and NIS 149 million for CollPlant Ltd. We anticipate that we will be able to carry forward these tax losses indefinitely to future tax years assuming that we utilize them at the first opportunity. Accordingly, we do not expect to pay taxes in Israel until we have taxable income after the full utilization of our carry forward tax losses.

The standard corporate tax rate in Israel is 25%. Under the Investment Law, and other Israeli laws, we may be entitled to certain additional tax benefits, including reduced tax rates, accelerated depreciation, and amortization rates for tax purposes on certain assets and amortization of other intangible property rights for tax purposes.

Operating Results

The following table sets forth a summary of our operating results:

	Convenience translation into USD					
	Six months ended June 30	Three months ended June 30	Six months ended June 30		Three months ended June 30	
	2018	2018	2017	2018	2017	2018
			(Unaudited)			
	USD in thousands (1)		NIS in thousands			
Revenue	392	170	453	1,432	201	653
Cost of Revenue	89	65	-	324	-	238
Gross Profit	303	105	453	1,108	201	415
Operating costs and expenses:						
Research and development expenses, net:	1,863	591	8,340	6,802	4,298	2,335
General, administrative and marketing expenses	1,792	812	2,930	6,539	1,589	3,094
Total operating costs and expenses:	3,655	1,403	11,270	13,341	5,887	5,429
Operating loss	3,352	1,298	10,817	12,233	5,686	5,014
Financial expenses, net	161	155	220	585	159	564
Comprehensive loss	3,513	1,453	11,037	12,818	5,845	5,578
Basic and diluted loss per ordinary share (NIS/USD)	0.02	0.01	0.09	0.06	0.04	0.03

(1) Calculated using the exchange rate reported by the Bank of Israel for June 30, 2018 at the rate of one U.S. dollar per NIS 3.65.

Three months ended June 30, 2018, compared to three months ended June 30, 2017

Revenues

We generated revenues from the sale of VergenixFG, VergenixSTR, and our Bioink in the three months ended June 30, 2018 of approximately NIS 653,000, compared to NIS 201,000 for the three months ended June 30, 2017. The increase in sales was mainly due to sales of rhCollagen based BioInk in the amount of NIS 325,000, for 3D bioprinting technologies of organs and tissues.

Research and Development Expenses, Net

We incurred research and development expenses, net of participation, amounting to NIS 2.3 million in the three months ended June 30, 2018, compared to NIS 4.3 million in the three months ended June 30, 2017. The expenses primarily related to the development of our rhCollagen and product pipe-line. The decrease in expenses amounting to NIS 2.0 million is primarily due to the termination of the co-development with Bioventus in 2017 and termination of other pipe-line development in 2017, and the support of the IIA in product development in the amount of NIS 855,000 in the three months period ended June 30 2018 compared to no support during the three months period ended June 30 2017.

The participation by parties not affiliated with the Company in the research and development expenses relates to support of the IIA in product development in the amount of NIS 855,000 in the three months ended June 30, 2018, compared to no support in the three months ended June 30, 2017.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of NIS 3.1 million in the three months ended June 30, 2018, compared to NIS 1.6 million for the three months ended June 30, 2017. The increase of NIS 1.5 million is primarily attributable to (i) salaries and amortization of equity-based compensation in the amount of NIS 746,000 related mainly to business development and marketing staff costs, (ii) the fair market value of services received under the Alpha private placement agreement, of NIS 494,000 and, (iii) professional services related to public company costs in the amount of NIS 348,000.

Financial Expenses, Net

Financial expenses, net, totaled NIS 564,000 in the three months ended June 30, 2018, compared to financial expense, net of NIS 159,000 for the three months ended June 30, 2017. The increase in the three months ended June 30, 2018 as compared to the same period in 2017 was due to (i) loss in the amount of NIS 708,000 from changes in fair value of the warrants granted to Alpha, as part of the Alpha Purchase Agreement, (ii) recognition of day one loss amounting NIS 89,000 from the Alpha investment, and (iii) financial income mainly as a result of exchange rate differences in the U.S. dollar exchange rate against the NIS in the net amount of NIS 233,000.

Six months ended June 30, 2018, compared to six months ended June 30, 2017

Revenues

We generated revenues from sale of VergenixFG, VergenixSTR, and our Bioink in the six months ended June 30, 2018 of approximately NIS 1.4 million, compared to NIS 453,000 for the six months ended June 30, 2017. The increase in sales was due to sales of BioInk for 3D bioprinting technologies of organs and tissues.

Research and Development Expenses, Net

We incurred research and development expenses net of participation, in the amount of NIS 6.8 million in the six months ended June 30, 2018, compared to NIS 8.3 million in the six months ended June 30, 2017. The expenses primarily related to the development of our rhCollagen and our product pipe-line. The net decrease in expenses amounting to NIS 1.5 million is primarily due to the termination of the co-development with Bioventus in 2017 and termination of other pipe-line development in 2017, and increase in the support of the IIA in product development in the amount of NIS 158,000 in the six months period ended June 30 2018 compared to six months period ended June 30 2017.

The participation by parties not affiliated with the Company in the research and development expenses relates to support of the IIA in product development in the amount of NIS 958,000 in the six months ended June 30, 2018 compared to NIS 771,000 in the six months ended June 30, 2017.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of NIS 6.5 million in the six months ended June 30, 2018, compared to NIS 2.9 million for the six months ended June 30, 2017. The increase of NIS 3.6 million is primarily attributable to (i) amortization of equity-based compensation in the amount of NIS 2.2 million, (ii) the fair market value of services received under the Alpha private placement agreement of NIS 494,000, (iii) employee compensation in the amount of NIS 379,000 related mainly to business development and marketing staff costs, and (iv) professional services related to public company costs in the amount of NIS 464,000.

Financial Expenses, Net

Financial expenses, net, totaled NIS 585,000 in the six months ended June 30, 2018, compared to financial expense, net of NIS 220,000 for the six months ended June 30, 2017. The increase in the three months ended June 30, 2018 as compared to the same period in 2017 was due to (i) loss in the amount of NIS 589,000 from changes in fair value of the warrants granted to Alpha, as part of the Alpha Purchase Agreement, (ii) recognition of day one loss in the amount of NIS 433,000 from the Alpha investment, and (iii) financial income mainly as a result of exchange rate differences in the U.S. dollar exchange rate against the NIS in the net amount of NIS 437,000.

Significant Accounting Estimates and Judgments

For information with respect to significant accounting estimates and judgments, see the discussion under the heading "Significant Accounting Estimates and Judgments" in our Annual Report.

Recent Accounting Pronouncements

For information with respect to recent accounting pronouncements, see the discussion under the heading "Recent Accounting Pronouncements" in our Annual Report.

Liquidity and Capital Resources

To date, we have financed our operations primarily with the net proceeds from private placements and from public offerings of our securities on the TASE, participation from product development collaborations, and government grants from the IIA.

We believe that based on our current business plan, our existing cash and cash equivalents will be able to maintain our current planned development, manufacturing and marketing activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time. If there are unexpected increases in general, administrative and marketing expenses or research and development expenses, we may need to seek additional financing.

Cash Flows

Net Cash Used in Operating Activities

Net cash used in operating activities resulted primarily from our net losses adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net loss for non-cash items include depreciation and amortization, equity-based compensation and exchange differences on cash and cash equivalents. This cash flow mainly reflects the cash needed for funding the products production and pipeline products development, and marketing and management costs of the Company during the applicable periods.

Net cash used in operating activities in the six months ended June 30, 2018 totaled NIS 11.7 million and consisted primarily of (i) a net loss of NIS 12.8 million, (ii) adjusted for non-cash items amounting to NIS 5.3 million, including depreciation and amortization of NIS 600,000, share based compensation of NIS 2.1 million, changes in fair market value of services received through the Alpha private placement of NIS 1.5 million and, loss from changes of fair value of financial instruments and recognition of unrecognized day one loss in the amount of NIS 1.0 million , and (ii) a net increase in operating assets and liabilities of NIS 4.1 million, which is mainly attributable to an increase of NIS 1.2 million in trade receivables and increase in inventory in the amount of NIS 1.6 million.

Net cash used in operating activities in the six months ended June 30, 2017 totaled NIS 9.4 million and consisted primarily of (i) a net loss of NIS 11.0 million, adjusted for non-cash items, including depreciation and amortization of NIS 601,000 and share based compensation of NIS 1.1 million, and (ii) a net increase in operating assets and liabilities of NIS 161,000, which is mainly attributable to a decrease in other receivables of NIS 2.8 million and a decrease in trade payables of NIS 3.0 million, mainly as a result of the termination of the co-development activity with Bioventus.

Net Cash Used in Investing Activities

Net cash used in investing activities was NIS 2.3 million during the six months ended June 30, 2018 and NIS 45,000 during the six months ended June 30, 2017. The increase in the amount of approximately NIS 2.25 million relates mainly to the establishment of a new cGMP facility for production of rhCollagen and BioInk formulation for 3D bioprinting.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was NIS 5.5 million for the six months ended June 30, 2018, compared to NIS 10.3 million in the six months ended June 30, 2017.

Proceeds generated during the six month period ended June 30 2018 includes NIS 5.4 million in net proceeds for the issuance of ordinary shares and pre-paid warrants in private placement financings, a loan received in the amount of NIS 210,000 and a net payment of NIS 126,000 of made for equipment on financing terms.

Proceeds generated during the six month period ended June 30 2017 includes NIS 6.8 million in net proceeds for the issuance of our ordinary shares and warrants in private placement financings, NIS 3.6 million for exercise of warrants and a net payment of NIS 127,000 made for equipment on financing terms.

Cash and Funding Sources

The table below summarizes our sources of funding for the six months ended June 30, 2018:

	Issuance of Ordinary Shares and Warrants	**Government Grants**	**Loan**	**Total**	**Total (Convenience translation into USD in thousands(1))**
		(NIS in thousands)			
Six months ended June 30, 2018	5,438	958	210	6,606	1,810

(1) Calculated using the exchange rate reported by the Bank of Israel for June 30, 2018 at the rate of one U.S. dollar per NIS 3.65.

Funding Requirements

We believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditures for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Our present and future funding requirements will depend on many factors, including, among other things:

- the progress, timing, and completion of preclinical testing and clinical trials in the U.S. for tissues and organs which are based on our BioInk, VergenixSTR and VergenixFG or any future pipeline product;
- selling and marketing activities undertaken in connection with the commercialization of VergenixSTR and VergenixFG and any other products;
- the costs of upscaling our manufacturing capabilities;
- costs involved in the development of distribution channels, and for an effective sales and marketing organization, for the commercialization of our products in Europe;
- the time and costs involved in obtaining regulatory approvals and any delays we may encounter as a result of evolving regulatory requirements or adverse results with respect to any of these products;
- the number of potential new products we identify and decide to develop; and
- the costs involved in filing patent applications and maintaining and enforcing patents or defending against claims or infringements raised by third parties.

For more information as to the risks associated with our future funding needs, see “Item 3.D. Risk Factors—We will need to raise additional funding, which may not be available on acceptable terms, or at all. Failure to obtain additional capital when needed may force us to delay, limit, or terminate our product development efforts or other operations” in our Annual Report.

Trend Information

We are in a development stage with regard to different 3D Bioinks and are in early stages of commercialization for VergenixFG and VergenixSTR in Europe, and our Bioinks for customers that develop technologies for 3D bio-printing of tissues and organs. It is not possible for us to predict with any degree of accuracy the outcome of our research, development or commercialization efforts. As such, it is not possible for us to predict with any degree of accuracy any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information to not necessarily be indicative of future operating results or financial condition. However, to the extent possible, certain trends, uncertainties, demands, commitments and events are in included under the heading “Operating and Financial Review and Prospects” in our Annual Report and in this discussion..

Off-balance Sheet Arrangements

As of June 30, 2018, we do not have any, and during the periods presented we did not have any, off-balance sheet arrangements.