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 August 2022
Commission File Number 001-38370

CollPlant Biotechnologies Ltd.
(Exact name of registrant as specified in its charter)

4 Oppenheimer St, Weizmann Science Park
Rehovot 7670104, 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): ☐

This Form 6-K, the text under the heading "Second Quarter 2022 Financial Results", the accompanying consolidated financial statements and "Forward Looking Statements" of the press release attached to this Form 6-K as Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 are hereby incorporated by reference into the registrant's Registration Statements on Form S-8 (File No. 333-229163, 333-248479 and 333-263842) and Form F-3 (File No. 333-228054 and 333-238731), to be a part thereof from the date on which this report is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.

On August 25, 2022, CollPlant Biotechnologies Ltd. (the "Company") issued a press release entitled "CollPlant Biotechnologies Provides Business Updates and Second Quarter 2022 Financial Results". In addition, on the same day, the Company issued condensed consolidated interim financial statements (unaudited) as of June 30, 2022 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 August 25, 2022.
99.2	Condensed Consolidated Interim Financial Statements (unaudited) as of June 30, 2022.
99.3	Operating and Financial Review and Prospects as of June 30, 2022.

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 BIOTECHNOLOGIES LTD.

Date: August 25, 2022

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

Exhibit 99.1

CollPlant Biotechnologies Provides Business Updates and Second Quarter 2022 Financial Results

- Co-development of rhCollagen-based dermal and soft tissue fillers with AbbVie is progressing
- Company's 3D bioprinted regenerative breast implant program remains on track to conclude large animal study in Q4
- Development of aseptic process for the production of sterile rhCollagen anticipated to be completed in Q4
- Strong balance sheet with cash and cash equivalents of $36M as of June 30, 2022

Rehovot, Israel August 25, 2022 -- CollPlant Biotechnologies (Nasdaq: CLGN), a regenerative and aesthetic medicine company developing innovative human collagen-based technologies and products for tissue regeneration and organ manufacturing, today announced financial results for the second quarter ended June 30, 2022 and provided an update on the Company's business developments.

"I am very pleased with the company's execution and significant advances across our diverse and expanding product portfolio. We are targeting large commercial opportunities where we believe our recombinant human collagen (rhCollagen) has the ability to deliver performance and safety advantages," said Yehiel Tal, CollPlant's Chief Executive Officer. "Our agreement with AbbVie to co-develop dermal and soft tissue fillers with rejuvenative properties for the medical aesthetic market is a perfect example of our strategy. We are excited by the direction of this program and continue as well to develop on our own the agreement's option products, including a photocurable dermal filler and an injectable breast implant."

"We also continue to make important progress with our 3D bioprinted regenerative breast implant program, and anticipate our first large animal study to conclude as planned by the end of 2022. Our collagen-based implants have the potential to meet an enormous unmet need by overcoming the safety challenges of existing breast procedures while promoting natural tissue regeneration. The results of this study, which will evaluate formulation, surgical technique, implant degradation rate and vascularization, will provide the basis for the design of a large pivotal study planned to begin in Q1 2023. We anticipate these studies to support advancement to human clinical trials".

Recent Corporate Highlights

Strategic Collaboration Agreement with AbbVie: CollPlant's exclusive worldwide development and commercialization agreement with AbbVie for dermal and soft tissue fillers continues to advance. Within the framework of this collaboration, CollPlant's proprietary rhCollagen and AbbVie's technology are combined to develop products for the medical aesthetic market. In February 2021, CollPlant received an upfront payment of $14 million and has the potential to receive an additional $89 million in milestone and option payments for additional products, which include an injectable breast implant and photocurable dermal filler. According to the agreement, CollPlant will also receive royalties on product sales and will manufacture and sell rhCollagen to AbbVie.

3D Bioprinted Regenerative Breast Implant Program: CollPlant's implants are comprised of the Company's plant-derived rhCollagen in combination with other biomaterials, and intended to degrade over time while promoting natural tissue regeneration. The 3D bioprinting technology used for the implant fabrication, enables scalable production of highly precise and repeatable constructs, which can be customized to the individual anatomy of a patient. CollPlant initiated a large animal study in June 2022 which is expected to conclude by the end of 2022. The global market for breast implants is estimated to be $2.5B.

Aseptic Production Process for rhCollagen: CollPlant is developing and implementing a fully controlled, closed-loop production process to mass produce sterile rhCollagen. The sterile plant-based collagen is expected to provide better bifunctionality and homogeneity relative to collagen derived from animals or cadavers, with improved safety and reduced risk of contamination.

rhCollagen-based Bioinks: In November 2021, CollPlant launched Collink.3D, a collagen-based Bioink platform, designed to support a wide variety of 3D bioprinting applications. Collink.3D is the first of a portfolio of Bioink products and CollPlant intends to release two additional Bioinks in Q4 2022.

Second Quarter 2022 Financial Results

Cash, cash equivalents and short-term deposits as of June 30, 2022, were $36.3 million.

GAAP revenues for the second quarter of 2022 were $66,000 and included mainly income from sales of the Company' BioInk and rhCollagen. Revenues decreased by $625,000 compared to $691,000 in the second quarter of 2021 which mainly related to a decrease in sales of BioInk and Vergenix products.

GAAP cost of revenue for the second quarter of 2022, was $43,000, a decrease of 90% compared to $429,000 in the second quarter of 2021. Cost of revenue includes mainly the cost of the Company' rhCollagen based products, and royalties to the IIA for our sales. The decrease in cost of revenue in the amount of approximately $386,000 is mainly comprised of: (i) approximately $145,000 in royalty expenses to the IIA, inventory impairment and (ii) approximately $241,000 relating to BioInk, FG and rhCollagen sales.

GAAP gross profit for the second quarter of 2022 was $23,000, compared to gross profit of $262,000 in the second quarter of 2021.

GAAP operating expenses for the second quarter of 2022 were $4.2 million compared to $3.3 million in the second quarter of 2021. The net increase of $900,000 in expenses is mainly comprised of: (i) $453,000 in research and product development activities including process development, (ii) $235,000 in employees' salaries and share base compensation, including recruitment of new employees for development of new products in 3D bioprinting and medical aesthetics, and (iii) $520,000 in employees and director's salaries and insurance policy expenses, offset by (iv) a decrease of $410,000 in one-time legal expenses relating to the end of the Company's ADS program, and the registration of the ordinary shares for listing on Nasdaq Global Market in 2021. On a non-GAAP basis, the operating expenses for the second quarter of 2022 were $3.9 million compared to $2.8 million in the second quarter of 2021. Non-GAAP measures exclude certain non-cash expenses.

GAAP financial expenses, net for the second quarter of 2022 totaled $100,000 compared to financial income net, of $25,000 in the second quarter of 2021. The increase in financial expenses is due to the weakening of the Dollar currency compared to the Shekel currency during the second quarter, and the corresponding effect on the Company's lease liabilities.

GAAP net loss for the second quarter of 2022 was $4.3 million or $0.39 basic loss per share, compared to a net loss of $3 million, or $0.30 basic loss per share, for the second quarter of 2021. Non-GAAP net loss for the second quarter of 2022 was $4 million or $0.36 loss per share, compared to a net loss of $2.5 million, or $0.25 basic loss per share, for the second quarter of 2021.

Six months period ended June 30, 2022, compared to six months period ended June 30, 2021

GAAP revenues for the six months ended June 30, 2022, were $132,000 and included mainly income from sales of the Company' BioInk and rhCollagen. Revenues decreased by $15.1 million compared to $15.2 million in the six months ended June 30, 2021 which mainly derived from the $14 million consideration for the license granted to AbbVie and to decrease in sales of BioInk Vergenix products.

GAAP gross profit for the six months ended June 30, 2022, was $58,000, compared to gross profit of $13.9 million in the six months ended June 30, 2021.

GAAP operating expenses for the six months ended June 30, 2022, accumulated to $8 million, compared to $6.9 million in the six months ended June 30, 2021. The net increase of $1.1 million in expenses is mainly comprised of: (i) an increase of $784,000 in research and product development activities including process development, (ii) an increase of $538,000 in employees' salaries and share base compensation, including recruitment of new employees for development of new products in 3D bioprinting and medical aesthetics, (iii) an increase of $210,000 in general and administrative employees and directors salaries and insurance policy expenses, offset by (iv) a decrease of $410,000 in one-time legal expenses relating to the end of the Company's ADS program, and the registration of the ordinary shares for listing on Nasdaq Global Market in 2021. On a non-GAAP basis, the operating expenses for the six months ended June 30, 2022 were $3.9 million compared to $2.8 million in the six months ended June 30, 2021. Non-GAAP measures exclude certain non-cash expenses.

GAAP financial expenses, net for the six months ended June 30, 2022, totaled $192,000 compared to financial income net, of $123,000 in the six months ended June 30, 2021. The increase in financial expenses is due to the weakening of the Dollar currency compared to the Shekel currency mainly during the second quarter, and the corresponding effect on the Company's lease liabilities.

GAAP net loss for the six months ended June 30, 2022 was $8.1 million, or $0.74 basic loss per share, compared to a net income of $7.1 million, or $0.76 basic income per share, for the six months ended June 30, 2021. Non-GAAP net loss for the six months ended June 30, 2022 was $7.5 million, or $0.69 basic loss per share, compared to $7.9 million income, or $0.85 basic income per share, for the six months ended June 30, 2021.

Cash used in operating activities during the six months ended June 30, 2022, was $7.2 million compared to $7.7 million cash provided from operating activities in the six months ended June 30, 2021. The change is mainly attributed to the $14 million consideration for the license granted to AbbVie in 2021.

Cash provided by investing activities during the six months ended June 30, 2022, was $30 million compared to $30.4 cash used in the six months ended June 30, 2021. The change is mainly attributed to repayment and investment in short term cash deposits.

Cash provided by financing activities during the six months ended June 30, 2022, was $1.5 million compared to cash provided by financing activities of $36.9 million in the six months ended June 30, 2021. The decrease is mainly attributed to the Company's registered direct offering in February 2021, which resulted in net proceeds of $32 million and $4.1 million proceeds in exercise of options and warrants.

About CollPlant

CollPlant is a regenerative and aesthetic medicine company focused on 3D bioprinting of tissues and organs, and medical aesthetics. The Company's products are based on its rhCollagen (recombinant human collagen) produced with CollPlant's proprietary plant based genetic engineering technology. These products address indications for the diverse fields of tissue repair, aesthetics, and organ manufacturing, and are ushering in a new era in regenerative and aesthetic medicine.

At the beginning of 2021, CollPlant entered into a development and global commercialization agreement for dermal and soft tissue fillers with Allergan, an AbbVie company, the global leader in the dermal filler market. Later in 2021, CollPlant entered a strategic co-development agreement with 3D Systems for a 3D bioprinted regenerative soft tissue matrix for use in breast reconstruction procedures in combination with an implant.

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

Use of Non-US GAAP ("non-GAAP")

Financial results for 2022 and 2021 are presented on both a GAAP and a non-GAAP basis. GAAP results were prepared in accordance with U.S. GAAP and include all revenue and expenses recognized during the period. The release contains certain non-GAAP financial measures for operating costs and expenses, operating income, net income and basic and diluted net income per share that exclude the effects of non-cash expense for fair market value attributed to change in fair value of financial instruments, share-based compensation to employees, directors and consultants, and change in operating lease accounts. CollPlant's 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 income and income 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" later in this release. This

accompanying table 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.

The Company's consolidated financial results as of, and for the six months ended June 30, 2022, are presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

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, its ability to continue as a going concern, and its need to raise additional capital and its inability to obtain additional capital on acceptable terms, or at all; the impact of the COVID-19 pandemic; 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 and products for medical aesthetics; the Company's ability to obtain favorable pre-clinical and clinical trial results; regulatory action with respect to rhCollagen based BioInk and medical aesthetics products 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 products in 3D Bioprinting and medical aesthetics; 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 the Company is 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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Email: Eran@collplant.com

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 36,290	$ 13,148
Short term cash deposits	-	30,151
Restricted deposit	23	13
Trade receivables	9	270
Other accounts receivable and prepaid expenses	594	424
Inventories	1,356	1,081
Total current assets	38,272	45,087
Non-current assets:		
Restricted deposit	189	213
Operating lease right-of-use assets	2,792	2,953
Property and equipment, net	2,925	2,728
Intangible assets, net	235	243
Total non-current assets	6,141	6,137
Total assets	$ 44,413	$ 51,224

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share data)

Liabilities and shareholders' equity	June 30, 2022	December 31, 2021
Current liabilities:		
Trade payables	$ 760	$ 1,034
Operating lease liabilities	477	519
Deferred revenues	-	32
Accrued liabilities and other	1,124	1,429
Total current liabilities	2,361	3,014
Non-current liabilities:		
Operating lease liabilities	2,547	3,089
Total non-current liabilities	2,547	3,089
Total liabilities	4,908	6,103
Shareholders' Equity:		
Ordinary shares, NIS 1.5 par value - authorized: 30,000,000 ordinary shares as of June 30, 2022 and December 31, 2021; issued and outstanding: 11,086,481 and 10,772,024 ordinary shares as of June 30, 2022 and December 31, 2021, respectively	4,831	4,664
Additional paid in capital	116,585	114,223
Currency translation differences	(969)	(969)
Accumulated deficit	(80,942)	(72,797)
Total shareholders' equity	39,505	45,121
Total liabilities and shareholders' equity	$ 44,413	$ 51,224

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Six months ended June 30		Three months ended June 30	
	2022	2021	2022	2021
	U.S. dollars in thousands, except per share data			
Revenues	$ 132	$ 15,191	$ 66	$ 691
Cost of Revenue	74	1,315	43	429
Gross Profit	58	13,876	23	262
Operating expenses:				
Research and development	4,841	3,534	2,599	1,901
General, administrative and marketing	3,170	3,379	1,609	1,424
Total Operating income (loss)	(7,953)	6,963	(4,185)	(3,063)
Financial income (expenses), net	(192)	123	(100)	25
Net income (loss) for the period	$ (8,145)	$ 7,086	$ (4,285)	$ (3,038)
Basic net income (loss) per ordinary share	$ (0.74)	$ 0.76	$ (0.39)	$ (0.30)
Diluted net income (loss) per ordinary share	$ (0.74)	$ 0.58	$ (0.39)	$ (0.30)
Weighted average ordinary shares outstanding used in computation of basic net income (loss) per share	10,935,611	9,315,817	11,086,481	10,201,231
Weighted average ordinary shares outstanding used in computation of diluted net income (loss) per share	10,935,611	12,173,715	11,086,481	10,201,231

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Six months ended June 30,	
	2022	2021
Cash flows from operating activities:		
Income (loss)	$ (8,145)	$ 7,086
Adjustments for:		
Depreciation and amortization	501	352
Gains from Short term cash deposits	(87)	(74)
Share-based compensation to employees and consultants	1,055	954
Exchange differences on cash and cash equivalents	727	13
Financial Income related to financial instruments	-	(28)
Changes in operating asset and liability items:		

Decrease in trade receivables	261	553
Decrease (increase) in inventories	(275)	322
Increase in other receivables	(170)	(740)
Decrease in operating right of use assets	220	188
Decrease in trade payables	(274)	(100)
Decrease in lease liabilities	(643)	(272)
Decrease in accrued liabilities and other payables	(305)	(309)
Decrease in deferred revenues	(32)	(207)
Net cash provided by (used in) operating activities	(7,167)	7,738
Cash flows from investing activities:		
Capitalization of intangible assets	(12)	(82)
Purchase of property and equipment	(678)	(365)
Repayment of a short term deposits	50,238	-
Investment in short term deposits	(20,000)	(30,000)
Net cash provided by (used in) investing activities	29,548	(30,447)
Cash flows from financing activities:		
Proceeds from issuance of shares and warrants less issuance expenses	-	32,743
Exercise of options and warrants into shares	1,474	4,128
Net cash provided by financing activities	1,474	36,871
Exchange differences on cash and cash equivalents and restricted deposits	(727)	(13)
Net increase in cash and cash equivalents and restricted deposits	23,128	14,149
Cash and cash equivalents and restricted deposits at the beginning of the year	13,374	3,526
Cash and cash equivalents and restricted deposits at the end of the year	$ 36,502	$ 17,675

COLLPLANT BIOTECHNOLOGIES LTD.
APPENDICES TO CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Six months ended June 30,	
	2022	**2021**
Appendix to the statement of cash flows		
A. Supplementary information on investing and financing activities not involving cash flows:		
Obtaining right of use assets in exchange for a lease liability	59	184
Classification of issuance costs liability to equity	-	50
B. Reconciliation of Cash, cash equivalents and restricted cash at the end of the year		
Cash and cash equivalents	36,290	17,485
Restricted deposits (including long term)	212	190
Total cash and cash equivalents and restricted deposits	$ 36,502	$ 17,675

CollPlant Biotechnologies Ltd.
Reconciliation of GAAP to Non-GAAP Financial Measures
(U.S. dollars in thousands, except per share data)
(Unaudited)

	Six months ended June 30		Three months ended June 30	
	2022	**2021**	**2022**	**2021**
	USD in thousands			
GAAP gross profit	$ 58	$ 13,876	$ 23	$ 262
GAAP operating expenses:	8,011	6,913	4,208	3,325
Change of operating lease accounts	423	84	329	(43)
Share-based compensation to employees, directors and consultants	(1,055)	(954)	(594)	(469)
Non-GAAP operating expenses:	7,379	6,043	3,943	2,813
GAAP operating income (loss)	(7,953)	6,963	(4,185)	(3,063)
Non-GAAP operating income (loss)	(7,321)	7,833	(3,920)	(2,551)
GAAP Net Income (loss)	(8,145)	7,086	(4,285)	(3,038)

Change in fair value of financial instruments	-	(28)	-	-
Change of operating lease accounts	(423)	(84)	(329)	43
Share-based compensation to employees, directors and consultants	1,055	954	594	469
Non-GAAP Net Income (loss)	$ (7,513)	$ 7,928	$ (4,020)	$ (2,526)
GAAP Basic income (loss) per ordinary share	$ (0.74)	$ 0.76	$ (0.39)	$ (0.3)
NON- GAAP Basic income (loss) per ordinary share	$ (0.69)	$ 0.85	$ (0.36)	$ (0.25)
GAAP Diluted income (loss) per ordinary share	$ (0.74)	$ 0.58	$ (0.39)	$ (0.3)
Non-GAAP Diluted income (loss) per ordinary share	$ (0.69)	$ 0.65	$ (0.36)	$ (0.25)

COLLPLANT BIOTECHNOLOGIES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2022

COLLPLANT BIOTECHNOLOGIES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2022

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COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 36,290	$ 13,148
Short term cash deposits	-	30,151
Restricted deposit	23	13
Trade receivables	9	270
Other accounts receivable and prepaid expenses	594	424
Inventories	1,356	1,081
Total current assets	38,272	45,087
Non-current assets:		
Restricted deposit	189	213
Operating lease right-of-use assets	2,792	2,953
Property and equipment, net	2,925	2,728
Intangible assets, net	235	243
Total non-current assets	6,141	6,137
Total assets	$ 44,413	$ 51,224

COLLPLANT BIOTECHNOLOGIES LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable:		
Trade payables	$ 760	$ 1,034
Operating lease liabilities	477	519
Deferred revenues	-	32
Accrued liabilities and other	1,124	1,429
Total current liabilities	2,361	3,014
Non-current liabilities:		
Operating lease liabilities	2,547	3,089
Total non-current liabilities	2,547	3,089
Total liabilities	4,908	6,103
Commitments and contingencies		
Shareholders' Equity:		
Ordinary shares, NIS 1.5 par value - authorized: 30,000,000 ordinary shares as of June 30, 2022 and December 31, 2021; issued and outstanding: 11,086,481 and 10,772,024 ordinary shares as of June 30, 2022 and December 31, 2021, respectively	4,831	4,664
Additional paid in capital and warrants	116,585	114,223
Currency translation differences	(969)	(969)
Accumulated deficit	(80,942)	(72,797)
Total shareholders' equity	39,505	45,121
Total liabilities and shareholders' equity	$ 44,413	$ 51,224

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

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(U.S. dollars in thousands, except share and per share data)
(Unaudited)

	Six months ended June 30		Three months ended June 30	
	2022	2021	2022	2021
Revenues	$ 132	$ 15,191	$ 66	$ 691
Cost of revenues	74	1,315	43	429
Gross Profit	58	13,876	23	262
Operating expenses:				
Research and development	4,841	3,534	2,599	1,901
General, administrative and marketing	3,170	3,379	1,609	1,424
Operating income (loss)	(7,953)	6,963	(4,185)	(3,063)
Financial income (expenses), net	(192)	123	(100)	25
Net income (loss) for the period	$ (8,145)	$ 7,086	$ (4,285)	$ (3,038)
Basic net income (loss) per ordinary share	$ (0.74)	$ 0.76	$ (0.39)	$ (0.3)
Diluted net income (loss) per ordinary share	$ (0.74)	$ 0.58	$ (0.39)	$ (0.3)
Weighted average ordinary shares outstanding used in computation of basic net income (loss) per share	10,935,611	9,315,817	11,086,481	10,201,231
Weighted average ordinary shares outstanding used in computation of diluted net income (loss) per share	10,935,611	12,173,715	11,086,481	10,201,231

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

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data)
(Unaudited)

	Ordinary shares		Additional paid-in capital and warrants	Currency translation differences	Accumulated deficit	Total
	Number of shares	Amounts	Amounts			
BALANCE AT JANUARY 1, 2021	6,963,838	$ 2,933	$ 75,547	$ (969)	$ (73,034)	$ 4,477
CHANGES DURING THE PERIOD:						
Issuance of ordinary shares and warrants, net of issuance costs of $3.2M	2,250,000	1,035	31,758	-	-	32,793
Exercise of options	27,142	13	97			110
Exercise of warrants, net of issuance costs of $51	1,017,149	467	3,551	-	-	4,018
Share-based compensation	-	-	954	-	-	954
Comprehensive profit	-	-	-	-	7,086	7,086
BALANCE AT JUNE 30, 2021	10,258,129	$ 4,448	$ 111,907	$ (969)	$ (65,948)	$ 49,438
BALANCE AT JANUARY 1, 2022	10,722,024	$ 4,664	$ 114,223	$ (969)	$ (72,797)	$ 45,121
CHANGES DURING THE PERIOD:						
Exercise of options	39,457	18	156	-	-	174
Exercise of warrants	325,000	149	1,151	-	-	1,300
Share-based compensation	-	-	1,055	-	-	1,055
Comprehensive loss	-	-	-	-	(8,145)	(8,145)
BALANCE AT JUNE 30, 2022	11,086,481	$ 4,831	$ 116,585	$ (969)	$ (80,942)	$ 39,505

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data)
(Unaudited)

	Ordinary shares		Additional paid-in capital and warrants	Currency translation differences	Accumulated deficit	Total
	Number of shares	Amounts	Amounts			
BALANCE AT APRIL 1, 2021	9,914,740	$ 4,290	$ 110,238	$ (969)	$ (62,910)	$ 50,649
CHANGES DURING THE PERIOD:						
Exercise of options	1,240	1	6	-	-	7
Exercise of warrants, net of issuance costs of $17	342,149	157	1,194	-	-	1,351
Share-based compensation	-	-	469	-	-	469
Comprehensive loss	-	-	-	-	(3,038)	(3,038)
BALANCE AT JUNE 30, 2021	10,258,129	$ 4,448	$ 111,907	$ (969)	$ (65,948)	$ 49,438
BALANCE AT APRIL 1, 2022	11,086,481	$ 4,831	$ 115,991	$ (969)	$ (76,657)	$ 43,196
CHANGES DURING THE PERIOD:						
Share-based compensation	-	-	594	-	-	594
Comprehensive loss	-	-	-	-	(4,285)	(4,285)
BALANCE AT JUNE 30, 2022	11,086,481	$ 4,831	$ 116,585	$ (969)	$ (80,942)	$ 39,505

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

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

	Six months ended June 30,	
	2022	2021
Cash flows from operating activities:		
Income (loss)	$ (8,145)	$ 7,086
Adjustments for:		
Depreciation and amortization	501	352
Gains from Short term cash deposits	(87)	(74)
Share-based compensation to employees and consultants	1,055	954
Exchange differences on cash and cash equivalents	727	13
Financial Income related to financial instruments	-	(28)

Changes in operating asset and liability items:		
Decrease in trade receivables	261	553
Decrease (increase) in inventories	(275)	322
Increase in other receivables	(170)	(740)
Decrease in operating right of use assets	220	188
Decrease in trade payables	(274)	(100)
Decrease in lease liabilities	(643)	(272)
Decrease in accrued liabilities and other payables	(305)	(309)
Decrease in deferred revenues	(32)	(207)
Net cash provided by (used in) operating activities	(7,167)	7,738
Cash flows from investing activities:		
Capitalization of intangible assets	(12)	(82)
Purchase of property and equipment	(678)	(365)
Repayment of a short term deposits	50,238	-
Investment in short term deposits	(20,000)	(30,000)
Net cash provided by (used in) investing activities	29,548	(30,447)
Cash flows from financing activities:		
Proceeds from issuance of shares and warrants less issuance expenses	-	32,743
Exercise of options and warrants into shares	1,474	4,128
Net cash provided by financing activities	1,474	36,871
Exchange differences on cash and cash equivalents and restricted deposits	(727)	(13)
Net increase in cash and cash equivalents and restricted deposits	23,128	14,149
Cash and cash equivalents and restricted deposits at the beginning of the year	13,374	3,526
Cash and cash equivalents and restricted deposits at the end of the year	$ 36,502	$ 17,675

COLLPLANT BIOTECHNOLOGIES LTD.
APPENDICES TO CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

	Six months ended June 30,	
	2022	**2021**
Appendix to the statement of cash flows		
A. Supplementary information on investing and financing activities not involving cash flows:		
Obtaining right of use assets in exchange for a lease liability	59	184
Classification of issuance costs liability to equity	-	50
B. Reconciliation of Cash, cash equivalents and restricted cash at the end of the year		
Cash and cash equivalents	36,290	17,485
Restricted deposits (including long term)	212	190
Total cash and cash equivalents and restricted deposits	$ 36,502	$ 17,675

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

COLLPLANT BIOTECHNOLOGIES LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(U.S dollars in thousands, except share and per share amounts)
(UNAUDITED)

NOTE 1 - NATURE OF OPERATIONS:

CollPlant Biotechnologies Ltd. (the "Company") is a regenerative and aesthetic medicine company focused on 3D bioprinting of tissues and organs and medical aesthetics. The Company's products are based on its rhCollagen (recombinant human collagen) produced with CollPlant's proprietary plant based technology. These products address indications for the diverse fields of tissue repair, aesthetics, and organ manufacturing.

The Company's revenues include income from business collaborators and sales of (i) the BioInk product for the development of 3D bioprinting of organs and tissues, (ii) sales of rhCollagen for the medical aesthetics market, and (iii) sales in Europe of the products for tendinopathy and wound healing.

The Company operates through CollPlant Ltd., a wholly-owned subsidiary (CollPlant Biotechnologies Ltd. and CollPlant Ltd. will be referred to hereinafter as "the Company" and "CollPlant", respectively). In November 2021 CollPlant Ltd established CollPlant Inc., a wholly owned subsidiary in the United States. As of June 30, 2022, CollPlant Inc has not commenced operation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information. Accordingly, they do not contain all information and notes required by US GAAP for annual financial statements. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of the Company's consolidated financial position as of June 30, 2022, the consolidated results of operations, changes in shareholders' equity for the three and six-month periods ended June 30, 2022 and cash flows for the six-month periods ended June 30, 2022 and 2021.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's annual financial statements for the year ended December 31, 2021, as filed in the Annual Report on Form 20-F on March 24, 2022. The condensed consolidated balance sheet data as of December 31, 2021 included in these unaudited condensed consolidated financial statements was derived from the audited financial statements for the year ended December 31, 2021 but does not include all disclosures required by US GAAP for annual financial statements.

The results for the six-month period ended June 30, 2022 are not necessarily indicative of the results expected for the year ending December 31, 2022.The significant accounting policies applied in the annual consolidated financial statements of the Company as of December 31, 2021, contained in the Company's Annual Report have been applied consistently in these unaudited interim condensed consolidated financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUE):

b. Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

c. Principles of consolidation

The consolidated financial statements include the accounts of CollPlant Biotechnologies and its Subsidiary. Intercompany balances and transactions have been eliminated upon consolidation.

d. Fair value measurement

Fair value is based on the price that would be received from the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into six broad levels, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers counterparty credit risk in its assessment of fair value.

The carrying amount of the cash and cash equivalents, restricted deposits, trade receivable, trade payables, accrued expenses and other liabilities approximates their fair value. The carrying amount of the derivatives liability are measured using unobservable inputs that require a high level of judgment to determine fair value, and thus are classified as Level 3 financial.

e. Income (loss) per share

Basic income (loss) per share is computed on the basis of the net income (loss), for the period divided by the weighted average number of ordinary shares and prepaid warrants outstanding during the period. Diluted income (loss) per share is based upon the weighted average number of ordinary shares and of ordinary shares equivalents outstanding when dilutive. Ordinary share equivalents include outstanding stock options and warrants, which are included under the treasury stock method when dilutive. The calculation of diluted income (loss) per share does not include options and warrants exercisable into 3,074,715 shares and 3,282,091 shares for the three months periods and 3,074,715 and 415,854 shares for the six months periods ended June 30, 2022 and 2021, respectively, because the effect would be anti-dilutive.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUE):

f. Recently Adopted Accounting Pronouncements

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

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from GAAP the liability and equity separation model for convertible instruments with a cash conversion feature and a beneficial conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS). ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company evaluated that the impact of the new guidance on its consolidated financial statements is immaterial.

NOTE 3 –INVENTORY:

a. Inventories at June 30, 2022 and December 31, 2021 consisted of the following:

	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)
Work in progress	$ 761	$ 693
Finished goods'	595	388
Total inventory	$ 1,356	$ 1,081

b. During the six and three months period ended June 30, 2022, the Company recorded approximately $23 and $6 for write-down of inventory under cost of goods sold, respectively.

During the six and three months period ended June 30, 2021, the Company recorded approximately $169 and $127 for write-down of inventory under cost of goods sold, respectively.

NOTE 4 – SHARE CAPITAL:

a. Changes in share capital

1. On February 17, 2021, the Company completed a registered direct offering providing for the sale and issuance of an aggregate of 2,000,000 ADSs at a purchase price of $17.50 per ADS, for aggregate gross proceeds of $35,000. The total issuance costs accumulated to $3,200.

2. On February 28, 2021 the Company completed the second closing of the Sagy Agreement, as defined below, which occurred after the Company executed the Development, Exclusivity and Option Products Agreement with AbbVie (see note 5), and the following occurred: (i) Ami Sagy transferred the Company an amount of $1,000 by way of an equity investment, and (ii) the Company issued to Ami Sagy 250,000 ADSs representing 250,000 ordinary shares and warrants to purchase up to 250,000 ADSs representing 250,000 ordinary shares.

The Sagy Agreement is part of a financing agreement which was signed on August 30, 2019, with Mr. Sagy and certain U.S. investors for the issuance of shares and warrants. The total return to the Company against the shares amounted to $6,500. Mr. Sagy, the Company's largest shareholder provided an amount of $3,000 in two tranches, (i) $2,000 at the first closing in September 3, 2019 and (ii) $1,000 at the second closing, as noted above.

b. Share-based compensation:

Option plan

In accordance with an option plan for employees and consultants (the "Option Plan"), as amended from time to time, employees and consultants of the Company will be granted options, each exercisable into one ordinary share of the Company of NIS 1.50 par value. The ordinary shares that will be issued in accordance with the Option Plan will have the same rights as the other ordinary shares of the Company, immediately subsequent to their issue. An option that is not exercised within 10 years from the allotment date will expire, unless the board of directors extends its validity.

Grants to employees are made in accordance with the Option Plan, and are carried out within the provisions of Section 102 of the Israel Income Tax Ordinance. In accordance with the track selected by the Company and these provisions, the Company is not entitled to claim a tax deduction for the employee benefits.

For those who are not employees of the Company, and for the Company's controlling shareholders (as defined in the Income Tax Ordinance) options are granted in accordance with section 3(I) of the Income Tax Ordinance.

NOTE 4 – SHARE CAPITAL (CONTINUE):

2) Options grants

In the six months ended June 30, 2022 and 2021, the Company granted options as follows:

	Six months ended June 30, 2022			
	Number of options granted	Exercise price range	Vesting period	Expiration
Employees	398,000	9.22	4 years	10 years
Directors	217,000	9.22	4 years	10 years

	Six months ended June 30, 2021			
	Number of options granted	Exercise price range	Vesting period range	Expiration
Employees	76,500	$12.78- 13.08	4 years	10 years

The fair value of options granted to employees during the six months ended June 30, 2022, and 2021 was $1,511 and $600 respectively.

The fair value of options granted to employees on the date of grant was computed using the Black-Scholes model. The underlying data used for computing the fair value of the options are as follows:

	Six months ended June 30	
	2022	2021
Value of ordinary share	$9.07-9.22	$11.9-$13.93
Dividend yield	0%	0%
Expected volatility	67.28%-67.95 %	65.36%-66.49 %
Risk-free interest rate	1.72%-3.03 %	0.64%-1.06 %
Expected term	6.11 years	6.11 years

COLLPLANT BIOTECHNOLOGIES LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(U.S dollars in thousands, except share and per share amounts)
(UNAUDITED)

NOTE 4 – SHARE CAPITAL (CONTINUE):

2) The following table summarizes the number of options granted to employees under the Option Plan for the six months period ended June 30, 2022:

	Number of options	Weighted average exercise price
Options outstanding at the beginning of the period	1,220,694	$ 7.71
Granted	615,000	9.22
Exercised	(39,457)	4.42
Forfeited or expired	(10,938)	10.49
Options outstanding at the end of the year	1,785,299	$ 8.14
Options exercisable at the end of the year	819,651	$ 6.5

The following table summarizes the number of options granted to non-employees under the Option Plan for the six months period ended June 30, 2022:

	Number of options	Weighted average exercise price
Options outstanding at the beginning of the period	15,416	$ 16.04
Granted	-	-
Exercised	-	-
Forfeited or expired	-	-
Options outstanding at the end of the year	15,416	$ 16.04
Options exercisable at the end of the year	9,141	$ 9.64

3) The following table illustrates the effect of share-based compensation on the statements of operations:

	Six months ended June 30		Three months ended June 30	
	2022	2021	2022	2021
	U.S. dollars in thousands		U.S. dollars in thousands	
Cost of revenue	$ 2	$ 42	$ 2	$ 18
Research and development	374	378	173	219
General, administrative, and marketing	647	542	400	246
	$ 1,023	$ 962	$ 575	$ 483

COLLPLANT BIOTECHNOLOGIES LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(U.S dollars in thousands, except share and per share amounts)
(UNAUDITED)

NOTE 5 – DEVELOPMENT, EXCLUSIVITY AND OPTION PRODUCTS AGREEMENT

On February 5, 2021, CollPlant entered into a Development, Exclusivity and Option Products Agreement (the "Development Agreement") with AbbVie, pursuant to which CollPlant and AbbVie will collaborate in the development and commercialization of dermal and soft tissue filler products for the medical aesthetics market, using CollPlant rhCollagen technology and AbbVie's technology.

Pursuant to the Development Agreement, CollPlant agreed to undertake projects for the development of an aseptic process for sterile rhCollagen that meets or exceeds certain specifications as set forth in the Development Agreement. Prior to the second anniversary of the Development Agreement, AbbVie may elect to have CollPlant undertake additional projects for the development of a more concentrated rhCollagen that meets or exceeds certain specifications.

Pursuant to the Development Agreement, CollPlant granted to AbbVie and its affiliates, worldwide exclusive rights to use its rhCollagen in combination with AbbVie proprietary technologies, for the production and commercialization of dermal and soft tissue filler products, or the Exclusive Products. Further, pursuant to the Development Agreement, CollPlant granted to AbbVie and its affiliates, a right of first negotiation to enter into a definitive agreement to obtain exclusive, worldwide rights to the use of CollPlant rhCollagen for the commercialization and sale of an injectable breast implant product and a right of first negotiation to enter into a definitive agreement to obtain exclusive, worldwide rights to the use of CollPlant's rhCollagen for the commercialization and sale of a photocurable dermal filler product, each an "Option Product" and together, the "Option Products". Other than under the Development Agreement, CollPlant agreed not to research, develop or commercialize its rhCollagen for use with any Exclusive Products during the term of the Development Agreement or grant any third party any rights to CollPlant's rhCollagen technology that would conflict with rights granted to AbbVie.

The Development Agreement provides that later on CollPlant and AbbVie will enter into a supply agreement whereby CollPlant will manufacture and supply AbbVie with rhCollagen, at a pre-agreed price, to be used solely for the development and manufacture of the Exclusive Products and Option Products.

The Development Agreement provides that with respect to the Exclusive Products CollPlant shall be entitled to receive up to $50,000 comprised of an upfront cash payment of $14,000, which was paid in February 2021, and up to $36,000 in proceeds upon the achievement of certain development, clinical trial, regulatory and commercial sale milestones. In addition, CollPlant shall be entitled to a fixed-fee royalty payment (subject to certain adjustments) for each product commercially sold during the applicable royalty term as well as a fee for the supply of rhCollagen to AbbVie. In addition, with respect to the Option Products, CollPlant shall be entitled to receive up to $53,000, as further described below, plus a fixed-fee royalty payment (subject to certain adjustments) for each product commercially sold during the applicable royalty term and a fee for the supply of rhCollagen to AbbVie. The $53,000 in proceeds includes a one-time non-refundable payment of $6,000 upon signing a definitive agreement with regard to the injectable breast implant product; a one-time non-refundable payment of $4,000 for signing a definitive agreement with regard to the photocurable dermal filler product; and up to an additional $43,000 payable upon the achievement of certain clinical trial, regulatory approval and commercial sale milestones. Unless earlier terminated, the Development Agreement will continue in effect on a product-by-product and country-by-country basis until the later of (i) the expiration, invalidation or abandonment of the last CollPlant patent covering a product in a particular country, and (ii) 10 years from the first commercial sale of such product in such country.

COLLPLANT BIOTECHNOLOGIES LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(U.S dollars in thousands, except share and per share amounts)
(UNAUDITED)

NOTE 5 – DEVELOPMENT, EXCLUSIVITY AND OPTION PRODUCTS AGREEMENT (CONTINUE):

Following expiration (unless earlier terminated), the rights granted to AbbVie in the Development Agreement will continue on a non-exclusive, fully paid-up, royalty-free, perpetual and irrevocable basis.

The Development Agreement may be terminated early by either party for material breach or bankruptcy. In addition, AbbVie may terminate the Development Agreement at any time immediately upon written notice to CollPlant if AbbVie reasonably believes that it is not advisable for AbbVie to continue to develop or commercialize the Exclusive Products under the Development Agreement as a result of a perceived serious safety issue regarding the use of any Exclusive Product or upon 60 days' written notice, for any or no reason, with respect to its rights under the Agreement on an Exclusive Product-by-Exclusive Product or country-by-country basis.

NOTE 6 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

a. Disaggregated revenues:

	Six months ended June 30,		Three months ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenues from licensing agreement (See note 5)	$ -	$ 14,000	$ -	$ -
Revenues from the sales of goods	132	1,145	66	691
Revenues from rendering of services	-	46	-	-
Total revenues	$ 132	$ 15,191	$ 66	$ 691

b. Revenues by geographic area were as follows:

	Six months ended June 30,		Three months ended June 30,	
	2022	**2021**	**2022**	**2021**

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

United states and Canada	$ 74	$ 14,603	$ 41	$ 193
Europe and others	58	588	$ 25	498
Total	$ 132	$ 15,191	$ 66	$ 691

c. Revenue recognized in the reporting period that was included in the deferred revenues balance at the beginning of the period is **$**2 for the six months period ended June 30, 2022 and $207 and $164 for the six and three months period ended June 30, 2021, respectively.

NOTE 6– SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION (CONTINUE):

d. Major customers

Set forth below is a breakdown of the 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,	
	2022	**2021**	**2022**	**2021**
Customer A	$ *)	$ 14,364	$ 9	$ 161
Customer B	$ -	$ *)	$ -	$ 440
Customer C	$ 64	$ *)	$ 32	$ -
Customer D	$ 37	$ *)	$ *)	$ *)

*) Less than 10%.

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, 2021 (the "Annual Report").

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

References to "U.S. dollars" and "$" are to currency of the United States of America. References to "ordinary shares" are to our ordinary shares, par value NIS 1.50 per share. Our financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results do not necessarily indicate our expected results for any future periods.

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 and products for medical aesthetics;
- the impact of the COVID-19 pandemic and the ongoing conflict in the Ukraine;
- our ability to obtain favorable pre-clinical and clinical trial results;
- regulatory action with respect to rhCollagen based BioInk and medical aesthetics products, 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 rhCollagen based products, in 3D Bioprinting medical aesthetics;
- 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;
- our reliance on third parties to conduct some or all aspects of our product manufacturing;
- 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 "Operating and Financial Review and Prospects" in our Annual Report, as well as in our 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 and aesthetic medicine company focused on three dimensional ("3D") bioprinting of tissues and organs, and medical aesthetics. Our products are based on our recombinant human collagen (rhCollagen) that is produced with our proprietary plant based genetic engineering technology. Our products address indications for the diverse fields of tissue repair, aesthetics and organ manufacturing, and, we believe, are ushering in a new era in regenerative and aesthetic medicine.

Our flagship rhCollagen BioInk product line is ideal for 3D bioprinting of tissues and organs. We are developing 3D bioprinted breast implants for regeneration of breast tissue, aim to provide a revolutionary alternative to the current practices. The implants in development will be bioprinted and loaded with compositions that are based on rhCollagen and ECM components. These implants are intended to promote tissue regeneration and degrade in synchronization with the development of a natural breast tissue.

In February 2021, we entered into a Development, Exclusivity and Option Products Agreement with AbbVie, pursuant to which we and AbbVie will collaborate in the development and commercialization of dermal and soft tissue filler products for the medical aesthetics market, using our recombinant human collagen (rhCollagen) technology and AbbVie's technology.

In October 2021, we announced that our rhCollagen based Bioink was used successfully by researchers from Israel's Technion Institute of Technology to create a 3D bioprinted implantable tissue containing a network of blood vessels capable of supplying blood to the implanted tissue.

In November 2021, we launched Collink.3D, a rhCollagen BioInk solution for use in 3D bioprinting. Collink.3D, our first commercially available rhCollagen-based BioInk product is designed to allow the scalable and reproduceable biofabrication of scaffolds, tissues and organ transplants. Made entirely from human-derived collagen, Collink.3D enables the production of scaffolds that accurately mimic the physical properties of human tissues and organs, with improved bio-functionality, safety and reproducibility.

Earlier, in December 2020, we entered into a product manufacturing and supply agreement with STEMCELL. As part of the agreement, we sell our proprietary recombinant human Type I collagen (rhCollagen) to STEMCELL, which incorporate our product into cell culture media kits. The agreement follows the companies' established business relationship, which started in 2014 when STEMCELL began purchasing and incorporating our rhCollagen into some of its cell culture expansion and differentiation media kits. To date, hundreds of companies, as well as research and academic institutes, have used these kits for research and development projects. STEMCELL is distributing the kits globally for use in the regenerative medicine research market.

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, though laboratory-derived, 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, high 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 size for our BioInk, and our medical aesthetics product candidates including dermal filler, exceeded $10 billion in 2021, and is estimated to reach $18 billion in 2026.

Impact of COVID-19 on our Operations

Public health epidemics or outbreaks could adversely impact our business. In late 2019, a novel strain of COVID-19, also known as coronavirus, was reported in Wuhan, China. Initially the outbreak was largely concentrated in China, but it rapidly spread to countries across the globe, including in Israel and the United States. Many countries around the world, including in Israel and the United States, implemented significant governmental measures to control the spread of the virus, including temporary closure of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business. In response, during 2020 and 2021, we implemented remote working for a few months period and workplace protocols for our employees in accordance Israeli Ministry of Health requirements to ensure employee safety and all employees have been instructed on and encouraged to practice best social distancing behaviors. The extent to which COVID-19 impacts our operations will depend on future developments, which are still uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain COVID-19 or treat its impact. In particular, the continued spread of COVID-19 globally, could adversely impact our operations and workforce, including our research and clinical trials and our ability to raise capital, could affect the operations of key governmental agencies and could result in the inability of our suppliers to deliver components or raw materials on a timely basis or at all, each of which in turn could have an adverse impact on our business, financial condition and results of operation.

Financial Operations Overview

Revenue

Our ability to generate significant revenues will depend on the successful commercialization of our rhCollagen-based BioInks and products, and on our ability to establish and maintain business collaborations with leading companies for 3D bioprinting of organs and tissues, and for medical aesthetics. In the six months ended June 30, 2022, we generated revenues of $132,000 mainly from sales of our BioInk and rhCollagen.

Our revenues are recorded in the amount of consideration to which we expect to be entitled in exchange for performance obligations upon transfer of control to the customer.

Cost of Revenue

Cost of revenues in our proprietary products and services includes expenses for the manufacturing of products such as raw materials, payroll, utilities, laboratory costs, share-based compensation and depreciation. Cost of revenue also includes provisions for the costs associated with manufacturing scraps and inventory write offs.

Operating Expenses

Research and Development Expenses

Research and development expenses consist of costs incurred for the development of our rhCollagen-based 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;
- 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, net of expenses capitalized to inventory; 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 continue to be significant 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, for the six months ended June 30, 2022 were $4.8 million. To date, we have charged 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 ("IIA"), as 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 Encouragement of Research, Development and Technological Innovation in the Industry Law 5744 1984 (formerly known as the Law for the Encouragement of Research and Development in Industry 5744 1984) ("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 VergenixSTR and VergenixFG. Under the Innovation Law and related regulations, royalties of 3% 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 totaled approximately $10.1 million as of June 30, 2022. For the six months period ending June 30, 2022, we paid royalties to the IIA in the amount of $4,000. Since inception and until June 30, 2022 we paid royalties to the IIA in the total amount of $2.8 million.

Information on our liabilities and the restrictions that we are subject to under the Research Law in connection with the IIA grants that we have received is detailed in the Annual Report on Form 20-F as of and for the year ended December 31, 2021.

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.
- stock exchange fees and related services; and
- board members related expenses, including fees and directors' liability insurance premiums.

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.

Financial Income/Financial Expense

Financial income includes interest income regarding short-term cash deposits. Financial expense consists of bank commissions and the weakening of the U.S. dollar compared to the New Israeli Shekel.

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, 2021, we have incurred operating losses of approximately $7.8 million for CollPlant Biotechnologies Ltd. and $54.8 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 23%. 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:

	Six months ended June 30		Three months ended June 30	
	2022	2021	2022	2021
	USD in thousands, except per share data			
Revenues	$ 132	$ 15,191	$ 66	$ 691
Cost of revenues	74	1,315	43	429
Gross Profit	58	13,876	23	262
Operating expenses:				
Research and development	4,841	3,534	2,599	1,901
General, administrative and marketing	3,170	3,379	1,609	1,424
Total operating expenses:	8,011	6,913	4,208	3,325
Operating income (loss)	(7,953)	6,963	(4,185)	(3,063)
Financial income (expenses), net	(192)	123	(100)	25
Net income (loss) for the period	(8,145)	7,086	(4,285)	(3,038)
Basic net income (loss) per ordinary share	$ (0.74)	$ 0.76	$ (0.39)	$ (0.3)
Diluted net income (loss) per ordinary share	$ (0.74)	$ 0.58	$ (0.39)	$ (0.3)

Three months ended June 30, 2022, compared to three months ended June 30, 2021

Revenues

We generated revenues from the sale of our BioInk, rhCollagen, and VergenixFG of $66,000 in the three months ended June 30, 2022 compared to $691,000 for the three months ended June 30, 2021. The decrease in revenues mainly related to a decrease in sales of BioInk and Vergenix products.

Cost of revenue

We incurred cost of revenue in the amount of $43,000 in the three months ended June 30, 2022 compared to $429,000 in the three months ended June 30, 2021. The decrease in cost of revenues in the amount of approximately $386,000 is mainly comprised of: (i) approximately $145,000 in royalty expenses to the IIA, inventory impairment and (ii) approximately $241,000 relating to BioInk, VergenixFG, and rhCollagen sales.

Research and Development Expenses

We incurred research and development expenses amounting to $2.6 million in the three months ended June 30, 2022 compared to $1.9 million in the three months ended June 30, 2021. The increase in expenses amounting to approximately $700,000 was comprised primarily of $453,000 increase in research and development activities including process development and a $235,000 increase in employee salary expenses, including recruitment of new employees for development of new products in 3D bioprinting and medical aesthetics.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of $1.6 million in the three months ended June 30, 2022 compared to $1.4 million in the three months ended June 30, 2021. The increase in expenses relates mainly to an increase of $520,000 in employees and director's salaries and insurance policy expenses, offset by a decrease of $410,000 in one-time legal expenses relating to the termination of the Company's ADS program, and the registration of the ordinary shares for listing on Nasdaq Global Market in 2021.

Financial Income (Expenses), Net

Financial expenses, net, totaled $100,000 in the three months ended June 30, 2022 compared to financial income, net of $25,000, net in the three months ended June 30, 2021. The increase in financial expenses is due to the weakening of the U.S. dollar compared to the New Israeli Shekel during the second quarter on 2022, and the corresponding effect on our lease liabilities.

Six months ended June 30, 2022, compared to six months ended June 30, 2021

Revenues

We generated revenues from the sale of our BioInk, rhCollagen and VergenixFG of approximately $132,000 in the six months ended June 30, 2022 compared to $15.2 million for the six months ended June 30, 2021. The decreased of $15.1 million mainly derived from the $14 million consideration for the license granted to AbbVie in 2021 and a decrease in sales of BioInk and Vergenix products.

Cost of revenue

We incurred cost of revenue in the amount of $74,000 in the six months ended June 30, 2022 compared to $1.3 million in the six months ended June 30, 2021. The decrease in cost of revenues is mainly comprised of a decrease in royalty expenses to the IIA, inventory impairment and a decrease in BioInk, VergenixFG and rhCollagen sales.

Research and Development Expenses

We incurred research and development expenses amounting to $4.8 million in the six months ended June 30, 2022 compared to $3.5 million in the six months ended June 30, 2021. The increase in expenses amounting to approximately $1.3 million is mainly comprised of an increase of $784,000 in research and development activities including process development, and an increase of $538,000 in employee salary expenses, including recruitment of new employees for development of new products in 3D bioprinting and medical aesthetics.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of $3.2 million in the six months ended June 30, 2022 compared to $3.4 million in the six months ended June 30, 2021. The decrease in expenses amounting to approximately $200,000 is mainly comprised of an increase of $210,000 in employees and director's salary and insurance expenses and $410,000 one-time fees relating to the termination of our ADS program and the listing of our ordinary shares on the Nasdaq Global Market in 2021.

Financial Income (Expenses), Net

Financial expenses, net for the six months ended on June 30, 2022 totaled $192,000 compared to financial income, net of $123,000 in the six months ended on June 30, 2021. The increase in financial expenses is due to the weakening of the Dollar currency compared to the Shekel currency mainly during the second quarter, and the corresponding effect on the Company's lease liabilities.

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

Our primary uses of cash are to fund working capital requirements, research and development expenses and capital expenditures. Historically, we have funded our operations primarily through cash flow from operations (including sales of our proprietary products and distribution products), payments received in connection with strategic partnerships (including milestone payments from collaboration agreements), issuances of ordinary shares and warrants (including public offerings on the Nasdaq, Tel Aviv Stock Exchange and private placements) and government grants from the IIA. The balance of cash and cash equivalents and short-term cash deposits as of June 30, 2022 and December 31, 2021 totaled $36.3 million and $43.3 million, respectively. In February 2021 we completed a registered direct offering that resulted in gross proceeds of $35 million and in the same month, we received a $14 million upfront payment from AbbVie under the AbbVie Agreement. We plan to fund our future operations through continued sales of our proprietary products, commercialization and/or out-licensing of our rhCollagen and BioInk technology, and raising additional capital through the issuance of equity or debt.

Cash Flows

Net Cash Provided by (Used in) Operating Activities

The cash provided by or used in all periods resulted primarily from our net income or losses, adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net income for non-cash items include depreciation and amortization and share-based compensation.

Net cash provided by or used in operating activities resulted primarily from our net income or losses, adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net income or 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 and pipeline products development and our management costs during the applicable periods.

Net cash used in operating activities in the six months ended June 30, 2022 totaled $7.2 million and consisted primarily of (i) net loss of $8.1 million, adjusted for non-cash items including depreciation of $501,000, shared-based compensation of $1,055,000, change in operating lease accounts of $423,000, gains from short-term cash deposits of $87,000, and (ii) a net change in operating assets and liabilities of $795,000.

Net cash provided by operating activities in the six months ended June 30, 2021 totaled $7.7 million and consisted primarily of (i) a net income of $7.1 million, adjusted for non-cash items including depreciation of $352,000, shared-based compensation of $954,000 change in operating lease accounts of $84,000 and change in financial instruments of $28,000 and (ii) a net change in operating assets and liabilities of $481,000 million, which are mainly attributable to an increase of $740,000 in other receivables.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by investing activities was $29.5 million during the six months ended June 30, 2022 and net cash used in investing activities of $30.4 million during the six months ended June 30, 2021. The change is mainly attributed to repayment and investment in short term cash deposits.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $1.5 million for the six months ended June 30, 2022 compared to $36.9 million in the six months ended June 30, 2021. The decrease is mainly attributed to our registered direct offering in February 2021, which resulted in net proceeds of $32 million and $4.1 million in proceeds in exercise of options and warrants during the first half of 2021.

Our cash requirements from known contractual obligations within the next twelve months include:

- Lease liabilities in the amount of $477,000; and
- Trade and other payables in the amount of $1.9 million, which include amounts related to suppliers, salaries and other liabilities with payment term of less than one year.

Our long-term cash requirements under our various contractual obligations include:

- Lease liabilities in the amount of $2.5 million.

Cash and Funding Sources

The table below summarizes our sources of funding for the six months ended June 30, 2022:

	Issuance of Ordinary Shares and Warrants	Total
	U.S. dollars in thousands	
Six months ended June 30, 2022	1,474	1,474

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 number of potential new products we identify and decide to develop;
- 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, medical aesthetics, and any future pipeline product;
- selling and marketing activities undertaken in connection with the commercialization of our 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; 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— in our Annual Report on Form 20-F. 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 medical aesthetics products, and are in early stages of commercialization of our BioInks for customers that develop technologies for 3D bio-printing of tissues and organs and the medical aesthetics market. 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 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, 2022, we do not have any, and during the periods presented we did not have any, off-balance sheet arrangements.

Contractual Obligations

There were no material changes outside of the ordinary course of business in our contractual obligations as of June 30, 2022, from those as of December 31, 2021 as reported in our Annual Report on Form 20-F for the year ended December 31, 2021, as filed with the SEC on March 24, 2022.

Our balance sheet liabilities do not include all of the obligations regarding royalties that we are obligated to pay to the IIA based on future sales of our products. The maximum royalty amount plus interest that would be payable by us is approximately $7.3 million (assuming 100% of the royalties are payable). This liability is contingent upon sales of our rhCollagen-based products.