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 2023

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 ☐

This Form 6-K, the text under the heading "Second Quarter 2023 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, 333-263842 and 333-271320) and Form F-3 (File No. 333-228054, 333-238731 and 333-269087), to be a part thereof from the date on which this report is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.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 24, 2023, CollPlant Biotechnologies Ltd. (the "Company") issued a press release entitled "CollPlant Biotechnologies Provides Business Updates and Second Quarter 2023 Financial Results". In addition, on the same day, the Company issued condensed consolidated interim financial statements (unaudited) as of June 30, 2023 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 24, 2023.
99.2	Condensed Consolidated Interim Financial Statements (unaudited) as of June 30, 2023.
99.3	Operating and Financial Review and Prospects as of June 30, 2023.

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 24, 2023

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

CollPlant Biotechnologies Announces Second Quarter Financial Results For 2023 with Revenues of $10.2 Million

- Received in July 2023, $10 million from partner, AbbVie, for achieving a major milestone in the second quarter, for the clinical-phase dermal filler product in accordance with the strategic collaboration agreement
- Entered into collaboration with Stratasys, a world-leading 3D printing company, with initial focus on the development of a bioprinting solution for the fabrication of CollPlant's regenerative breast implants
- Readying breast implant study in large animals for initiation by year end
- Continued positive sales trajectory for 3D bioinks
- Cash and cash equivalents totaled $22.3 million as of June 30, 2023; cash runway extended with additional $10 million milestone payment received in July 2023 from AbbVie
- Revenues of $10.6 million and operating income of $5.7 million for the first six months of 2023
- Conference call to be held on August 24, 2023 at 10:00 am U.S. ET; Dial-in information herein

Rehovot, Israel, August 24, 2023 – CollPlant Biotechnologies (Nasdaq: CLGN), a regenerative and aesthetics medicine company developing innovative technologies and products based on its non-animal-derived collagen for tissue regeneration and organ manufacturing, today announced financial results for the second quarter ended June 30, 2023, and provided a corporate update on its programs.

"This quarter, we were very pleased to announce the achievement of an important milestone related to the dermal filler product developed in collaboration with our partner, AbbVie, for which we received a $10 million payment. We also announced a joint development and commercialization agreement with Stratasys, a world-leader in additive manufacturing that will initially focus on developing a bioprinting solution for the fabrication of our regenerative breast implants in development. Both collaborations are expected to allow us to continue our momentum towards reaching important upcoming milestones related to these programs, with the former providing a vehicle to maintain our strong cash position," said CollPlant's Chief Executive Officer, Yehiel Tal.

Mr. Tal continued, "One of our upcoming milestones will be initiating by the end of this year a second large-animal study to evaluate our regenerative breast implants. We have already established the trial infrastructure and look forward to providing an update as soon as we conclude this study."

Q2 and recent corporate highlights

Program development

- CollPlant is planning to initiate a second large-animal study to evaluate commercial sized 3D bioprinted regenerative breast implants, by year end. This study follows the completion of the first large-animal study, the results of which were announced in January of this year. The first study demonstrated progressive stages of tissue regeneration after three months, as highlighted by the formation of maturing connective tissue and neovascular networks within the implants, with no adverse events reported.

  In the U.S. alone, hundreds of thousands of people per year experience adverse events that range from autoimmune symptoms to the very serious breast implant-associated anaplastic large cell lymphoma (BIA-ALCL). CollPlant's breast implants that are comprised of CollPlant's proprietary plant-derived rhCollagen and other biomaterials, are expected to regenerate breast tissue without eliciting immune response, and thus may provide a revolutionary alternative for aesthetic and reconstructive procedures, including postmastectomy for cancer patients.

Collaboration updates

- In June, CollPlant announced the achievement of a milestone with respect to the clinical phase dermal filler product, which is under its collaboration agreement with AbbVie. According to the agreement, the achievement of this milestone triggered a $10 million payment from AbbVie to CollPlant. CollPlant has the potential to receive additional milestone payments as well as future royalties in accordance with its long-term collaboration with AbbVie for the dermal filler product.
- In April, CollPlant announced a joint development and commercialization agreement with Stratasys to collaborate on the development of a printing solution to bio-fabrication of human tissues and organs using Stratasys' P3 technology-based bioprinter and CollPlant's rh-Collagen-based bioinks. The bioprinting solution is being designed to enable the production of scaffolds that will accurately mimic the physical properties of human tissues and organs. These scaffolds are to meet the product specification including resolution and reproducibility. The combined proprietary technologies are expected to enable the fabrication of tissues and organs that also possess differentiated regenerative properties. The first project focuses on the development of an industrial-scale solution for CollPlant's regenerative breast implants program. Under the agreement, both companies have also agreed to cross-promote each other's bioprinting products.

- CollPlant is developing, together with Tel Aviv University and Sheba Medical Center, a system that enhances the physiological relevance of the human gut to provide a predictive personalized platform. CollPlant mimics the gut structure by 3D printing the gut tissue geometry in high resolution using its unique rhCollagen-based bioink formulation. This tissue model is to be used for evaluating therapy response in patients suffering from ulcerative colitis. Recently, the CollPlant team managed to successfully grow epithelial cells on the 3D printed scaffolds that mimic the gut tissue geometry. The Company expects to be able to provide an update on next steps for this program by the end of this year.

- CollPlant remains engaged in partnering dialogs with several industry leaders and academic institutions interested in the Company's rhCollagen technology and expertise in 3D bioprinting to develop therapeutics and medical applications.

Commercial portfolio of bioink solutions

CollPlant's bioink platform is intended to enable its customers to streamline the process of new product development while also accelerating timelines and reducing overall costs. CollPlant's new bioink, Collink.3D-50L is the first bioink available in powder form which provides enhanced operational specificity and flexibility for the end-user because of its mechanical properties to address additional printing requirements of soft and hard tissues. These features of CollPlant's new bioink enable the end user to address a wide range of 3D bioprinting applications, including drug discovery, drug screening and tissue testing, as well as the development of transplantable tissues and organs.

Operational updates

- In line with CollPlant's mission to build a company that operates and works towards solutions that support a sustainable environment, CollPlant recently recruited a dedicated manager to analyze, formulate and execute upon the set of standards for its Environmental, Social and Governance (ESG) program. This initiative is designed to help CollPlant meet the evolving standards applicable to publicly listed companies in the U.S., as well as help business partners and socially conscious investors better understand CollPlant's alignment with sustainable values – both operationally and as a component of its overall company mission.

Second quarter ended June 30, 2023 financial results

GAAP revenues for the second quarter ended June 30, 2023 were $10.2 million, an increase of $10.1 million compared to $66,000 in the second quarter ended June 30, 2022. The increase in revenues was mainly related to the achievement of a milestone with respect to the AbbVie agreement, which triggered a $10 million payment.

GAAP cost of revenues for the second quarter ended June 30, 2023, was $615,000, an increase of $572,000 compared to $43,000 in the second quarter ended June 30, 2022. Cost of revenue mainly includes the cost of the Company's rhCollagen based products, and royalties to the Israeli Innovation Authority (IIA) for our sales. The increase in cost of revenues in the amount of approximately $572,000 is mainly comprised of: (i) $305,000 in royalty expenses to the IIA mainly related to the milestone payment received from AbbVie, and (ii) $171,000 relating to the BioInk, VergenixFG, and rhCollagen sales.

GAAP gross profit for the second quarter ended June 30, 2023 was $9.6 million, compared to gross profit of $23,000 in the second quarter ended June 30, 2022.

GAAP operating expenses for the second quarter ended June 30, 2023 were $3.9 million, compared to $4.2 million in the second quarter ended June 30, 2022. The decrease of $300,000 is mainly related to general and administrative expenses and comprised of (i) $223,000 in employees' salaries expense including a decrease in accrued vacation liability and alterations in employment contractual terms implemented in 2022, and (ii) $194,000 share-based compensation expenses mainly related to a directors grant in May 2022, offset by an increase of approximately $116,000 in professional services expenses and patents expenses. On a non-GAAP basis, operating expenses for the second quarter ended June 30, 2023 were $3.6 million, compared to $3.9 million in the second quarter ended June 30, 2022. Non-GAAP measures exclude certain non-cash expenses.

GAAP financial income, net, for the second quarter ended June 30, 2023 totaled $85,000, compared to financial expenses, net, of $100,000 in the second quarter of 2022. The increase in financial income is due to interest received from our short-term cash deposits and exchange rate differences.

GAAP net income for the second quarter ended June 30, 2023 was $5.8 million, or $0.51 basic income per share, compared to a net loss of $4.3 million, or $0.39 basic loss per share, for the second quarter ended June 30, 2022. Non-GAAP net income for the second quarter ended June 30, 2023 was $6.0 million, or $0.53 income per share, compared to a net loss of $4.0 million, or $0.36 basic loss per share, for the second quarter ended June 30, 2022.

Cash and cash equivalents as of June 30, 2023, were $22.3 million.

Cash used in operating activities during the three months ended June 30, 2023 was $3.8 million, compared to $4.0 million cash used in operating activities during the three months ended June 30, 2022.

Cash used in investing activities during the three months ended June 30, 2023 and during the three months ended June 30, 2022 was $337,000.

Cash provided by financing activities during the three months ended June 30, 2023 was $89,000. During the three months ended June 30, 2022, there was no cash provided by financing activities.

Year-to-date (six-month) period ended June 30, 2023 financial results

GAAP revenues for the six months ended June 30, 2023, were $10.6 million and included mainly revenues from the AbbVie Agreement as well as income from sales of the Company's BioInk and rhCollagen. Revenues increased by $10.5 million, compared to $132,000 in the six months ended June 30, 2022. The increase is related almost entirely to the achievement of a milestone under the AbbVie Agreement and $500,000 increase in sales of rhCollagen.

GAAP cost of revenues for the six months ended June 30, 2023, was $940,000, an increase of $866,000 compared to $74,000 in the six months ended June 30, 2022. The increase in cost of revenues in the amount of approximately $866,000 is mainly comprised of: (i) $316,000 in royalty expenses to the IIA mainly related to the milestone payment received from AbbVie, and (ii) $424,000 relating to the sales of BioInk, VergenixFG, and rhCollagen.

GAAP gross profit for the six months ended June 30, 2023, was $9.7 million, compared to gross profit of $58,000 in the six months ended June 30, 2022.

GAAP operating expenses for the six months ended June 30, 2023, were $7.5 million, compared to $8.0 million, in the six months ended June 30, 2022. The decrease of $500,000 in expenses is mainly related to general and administrative expenses and comprised of: (i) $278,000 in employees' salaries expense including a decrease in accrued vacation liability and alterations in employment contractual terms implemented in 2022, and (ii) $124,000 share-based compensation expenses mainly related to options granted in 2022. On a non-GAAP basis, the operating expenses for the six months ended June 30, 2023 were $6.7 million, compared to $7.4 million in the six months ended June 30, 2022. Non-GAAP measures exclude certain non-cash expenses.

GAAP financial expenses, net for the six months ended June 30, 2023, totaled $111,000, compared to $192,000 in the six months ended June 30, 2022. The decrease in financial expenses, net, is due to interest received from the Company's short-term cash deposits.

GAAP net income for the six months ended June 30, 2023 was $2.0 million, or $0.18 basic income per share, compared to a net loss of $8.1 million, or $0.74 basic loss per share, for the six months ended June 30, 2022. Non-GAAP net income for the six months ended June 30, 2023, was $2.7 million, or $0.24 basic loss per share, compared to $7.5 million loss, or $0.69 basic loss per share, for the six months ended June 30, 2022.

Cash used in operating activities during the six months ended June 30, 2023 and June 30, 2022, remain unchanged at $7.2 million.

Cash used in investing activities during the six months ended June 30, 2023 was $541,000, compared to $29.5 million cash provided by investing activities during the six months ended June 30, 2022. The decrease is mainly attributed to repayment and investment in short term cash deposits during the six months ended June 30, 2022.

Cash provided by financing activities during the six months ended June 30, 2023 was $892,000, compared to cash provided by financing activities of $1.5 million during the six months ended June 30, 2022. Cash provided by financing activities is attributed to proceeds from the exercise of options and warrants into shares.

Conference call information

CollPlant will hold a conference call to discuss its second quarter 2023 financial results along with corporate updates on August 24, 2023 at 10 am ET.

To participate in the conference call, please use the dial-in information below:

U.S. investors: 1-877-407-9716
Investors outside of the U.S.: 1-201-493-6779
Israel investors: 1-809-406-247
Conference ID: 13739191

Note, you can avoid long wait times for the operator by using the Call me™ feature and clicking the link below 15 minutes prior to the scheduled call start time:

https://callme.viavid.com/viavid/?callme=true&passcode=13728588&h=true&info=company&r=true&B=6

Submit questions to management in advance of the call

To ask management a question ahead of the call, please email John Mullaly at LifeSci Advisors LLC up until 24 hours before the event at jmullaly@lifesciadvisors.com.

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

Assets	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current assets:		
Cash and cash equivalents	$ 22,283	$ 29,653
Restricted cash	83	-
Restricted deposit	22	23
Trade receivables	10,160	9
Inventories	1,552	1,430
Other accounts receivable and prepaid expenses	758	543
Total current assets	34,858	31,658
Non-current assets:		
Restricted (deposit	237	188
Operating lease right-of-use assets	3,327	2,711
Property and equipment, net	2,931	2,966
Intangible assets, net	216	245
Total non-current assets	6,711	6,110
Total assets	$ 41,569	$ 37,768

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

Liabilities and shareholders' equity	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current liabilities:		
Trade payables	$ 763	$ 1,133
Operating lease liabilities	598	529
Accrued liabilities and other	1,421	1,443
Total current liabilities	2,782	3,105
Non-current liabilities:		
Operating lease liabilities	2,748	2,382
Total non-current liabilities	2,748	2,382
Total liabilities	5,530	5,487

Commitments and contingencies		
Shareholders' Equity:		
Ordinary shares, NIS 1.5 par value - authorized: 30,000,000 ordinary shares as of June 30, 2023 (unaudited) and December 31, 2022; issued and outstanding: 11,405,394 and 11,186,481 ordinary shares as of June 30, 2023 (unaudited) and December 31, 2022, respectively	4,963	4,873
Additional paid in capital	119,720	118,099
Currency translation differences	(969)	(969)
Accumulated deficit	(87,675)	(89,722)
Total shareholders' equity	36,039	32,281
Total liabilities and shareholders' equity	$ 41,569	$ 37,768

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

	Six months ended June 30		Three months ended June 30	
	2023	**2022**	**2023**	**2022**
Revenues	$ 10,617	$ 132	$ 10,184	$ 66
Cost of revenues	940	74	615	43
Gross Profit	9,677	58	9,569	23
Operating expenses:				
Research and development	4,676	4,841	2,574	2,599
General, administrative and marketing	2,843	3,170	1,318	1,609
Operating income (loss)	2,158	(7,953)	5,677	(4,185)
Financial income (expenses), net	(111)	(192)	85	(100)
Net income (loss) for the period	$ 2,047	$ (8,145)	$ 5,762	$ (4,285)
Basic net income (loss) per ordinary share	$ 0.18	$ (0.74)	$ 0.51	$ (0.39)
Diluted net income (loss) per ordinary share	$ 0.17	$ (0.74)	$ 0.49	$ (0.39)
Weighted average ordinary shares outstanding used in computation of basic net income (loss) per share	11,329,516	10,935,611	11,369,031	11,086,481
Weighted average ordinary shares outstanding used in computation of diluted net income (loss) per share	11,738,884	10,935,611	11,777,139	11,086,481

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

	Six months ended June 30,	
	2023	**2022**
Cash flows from operating activities:		
Income (loss)	$ 2,047	$ (8,145)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	546	501
Interest from Short term deposits	-	(87)
Interest from restricted deposits	11	-
Share-based compensation to employees and consultants	852	1,055

Exchange differences on cash and cash equivalents	444	727
Changes in operating asset and liability items:		
Decrease (increase) in trade receivables	(10,151)	261
Increase in inventories	(155)	(275)
Increase in other accounts receivable and prepaid expenses	(215)	(170)
Decrease in operating right of use assets	254	220
Decrease in trade payables	(370)	(274)
Decrease in lease liabilities	(435)	(643)
Decrease in accrued liabilities and other payables	(22)	(305)
Decrease in deferred revenues	-	(32)
Net cash used in operating activities	(7,194)	(7,167)
Cash flows from investing activities:		
Capitalization of intangible assets	-	(12)
Purchase of property and equipment	(482)	(678)
Repayment of a short term deposits	-	50,238
Investment in short term deposits and restricted deposits	(59)	(20,000)
Net cash provided by (used in) investing activities	(541)	29,548
Cash flows from financing activities:		
Exercise of options and warrants into shares	892	1,474
Net cash provided by financing activities	892	1,474
Exchange differences on cash and cash equivalents, restricted cash and restricted deposits	(444)	(727)
Net increase (decrease) in cash and cash equivalents, restricted cash and restricted deposits	(7,287)	23,128
Cash and cash equivalents, restricted cash and restricted deposits at the beginning of the period	29,653	13,374
Cash and cash equivalents, restricted cash and restricted deposits at the end of the period	$ 22,366	$ 36,502

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

	Six months ended June 30,	
	2023	**2022**
Appendix to the statement of cash flows		
A. Supplementary information on investing and financing activities not involving cash flows:		
Right of use assets recognized with corresponding lease liabilities	870	59
Capitalization of Share-based compensation to inventory	33	-
B. Reconciliation of Cash, cash equivalents and restricted cash at the end of the period		
Cash and cash equivalents	22,283	36,290
Restricted cash	83	-
Restricted deposits (including long term)	-	212
Total cash and cash equivalents, **restricted cash** and restricted deposits	$ 22,366	$ 36,502

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

	2023	2022	2023	2022
	USD in thousands			
GAAP gross profit	$ 9,677	$ 58	$ 9,569	$ 23
GAAP operating costs and expenses:	7,519	8,011	3,892	4,208
Change of operating lease accounts	33	423	12	329
Share-based compensation to employees, directors and consultants	(852)	(1,055)	(338)	(594)
Non-GAAP operating costs and expenses:	6,700	7,379	3,566	3,943
GAAP operating income (loss)	2,158	(7,953)	5,677	(4,185)
Non-GAAP operating income (loss)	2,977	(7,321)	6,003	(3,920)
GAAP Net Income (loss)	2,047	(8,145)	5,762	(4,285)
Change of operating lease accounts	(181)	(423)	(76)	(329)
Share-based compensation to employees, directors and consultants	852	1,055	338	594
Non-GAAP Net income (loss)	$ 2,718	$ (7,513)	$ 6,024	$ (4,020)
GAAP Basic income (loss) per ordinary share	$ 0.18	$ (0.74)	$ 0.51	$ (0.39)
NON- GAAP Basic income (loss) per ordinary share	$ 0.24	$ (0.69)	$ 0.53	$ (0.36)
GAAP Diluted income (loss) per ordinary share	$ 0.17	$ (0.74)	$ 0.49	$ (0.39)
Non-GAAP Diluted income (loss) per ordinary share	$ 0.23	$ (0.69)	$ 0.52	$ (0.36)

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.

In 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.

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

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

Financial results for 2023 and 2022 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 (or loss), net income (or loss) and basic and diluted net income (or loss) per share that exclude the effects of non-cash expense for 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, net income (or loss) and income (or 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" 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 for the second quarter ended June 30, 2023, are presented in accordance with generally accepted accounting principles in the U.S.

A copy of the Company's annual report on Form 20-F for the year ended December 31, 2022 has been filed with the U.S. Securities and Exchange Commission at www.sec.gov and posted on the Company's investor relations website at http://ir.collplant.com/. The Company will deliver a hard copy of its annual report, including its complete audited consolidated financial statements, free of charge, to its shareholders upon request to CollPlant Investor Relations at 4 Oppenheimer, Weizmann Science Park, Rehovot 767104, Israel or by phone at +972-73-232 5600.

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 need to raise additional capital and its inability to obtain additional capital on acceptable terms, or at all; the Company's ability to develop a printing solution for its breast implants program, or at all; the Company's expectations regarding the timing and cost of commencing pre-clinical and clinical trials, or at all, with respect to breast implants, tissues and organs which are based on its rhCollagen based BioInk and other products for medical aesthetics, and specifically the Company's ability to initiate a second large-animal study for its breast implants in a timely manner, or at all; the Company's ability to obtain favorable pre-clinical and clinical trial results with respect to the foregoing trials; 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 bioprinter under development with Stratasys and/or future potential collaborative products and/or CollPlant's regenerative breast implants and/or dermal filler product under development with AbbVie and/or other medical aesthetics products; 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, including its partnership with AbbVie and its ability to continue to received milestone and royalties payments under the AbbVie agreement; 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; current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk; 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.

Contacts

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COLLPLANT BIOTECHNOLOGIES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2023

COLLPLANT BIOTECHNOLOGIES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS OF JUNE 30, 2023

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

	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 22,283	$ 29,653
Restricted cash	83	-
Restricted deposit	22	23
Trade receivables	10,160	9
Inventories	1,552	1,430
Other accounts receivable and prepaid expenses	758	543
Total current assets	34,858	31,658
Non-current assets:		
Restricted deposit	237	188
Operating lease right-of-use assets	3,327	2,711
Property and equipment, net	2,931	2,966
Intangible assets, net	216	245
Total non-current assets	6,711	6,110
Total assets	$ 41,569	$ 37,768

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

	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Liabilities and shareholders' equity		
Current liabilities:		
Trade payables	$ 763	$ 1,133
Operating lease liabilities	598	529
Accrued liabilities and other	1,421	1,443
Total current liabilities	2,782	3,105
Non-current liabilities:		
Operating lease liabilities	2,748	2,382
Total non-current liabilities	2,748	2,382
Total liabilities	5,530	5,487
Commitments and contingencies		
Shareholders' Equity:		
Ordinary shares, NIS 1.5 par value - authorized: 30,000,000 ordinary shares as of June 30, 2023 (unaudited) and December 31, 2022; issued and outstanding: 11,405,394 and 11,186,481 ordinary shares as of June 30, 2023 (unaudited) and December 31, 2022, respectively	4,963	4,873
Additional paid in capital	119,720	118,099
Currency translation differences	(969)	(969)
Accumulated deficit	(87,675)	(89,722)
Total shareholders' equity	36,039	32,281
Total liabilities and shareholders' equity	$ 41,569	$ 37,768

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

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

	Six months ended June 30		Three months ended June 30	
	2023	2022	2023	2022
Revenues	$ 10,617	$ 132	$ 10,184	$ 66
Cost of revenues	940	74	615	43
Gross Profit	9,677	58	9,569	23
Operating expenses:				
Research and development	4,676	4,841	2,574	2,599
General, administrative and marketing	2,843	3,170	1,318	1,609
Operating income (loss)	2,158	(7,953)	5,677	(4,185)
Financial income (expenses), net	(111)	(192)	85	(100)
Net income (loss) for the period	$ 2,047	$ (8,145)	$ 5,762	$ (4,285)
Basic net income (loss) per ordinary share	$ 0.18	$ (0.74)	$ 0.51	$ (0.39)
Diluted net income (loss) per ordinary share	$ 0.17	$ (0.74)	$ 0.49	$ (0.39)
Weighted average ordinary shares outstanding used in computation of basic net income (loss) per share	11,329,516	10,935,611	11,369,031	11,086,481
Weighted average ordinary shares outstanding used in computation of diluted net income (loss) per share	11,738,884	10,935,611	11,777,139	11,086,481

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

COLLPLANT BIOTECHNOLOGIES LTD.
CONDENSED CONSOLIDATED STATEMENTS SHAREHOLDERS' EQUITY

(U.S. dollars in thousands, except share data)
(Unaudited)

	Ordinary shares		Additional paid-in capital	Currency translation differences	Accumulated deficit	Total
	Number of shares	Amounts				
BALANCE AT DECEMBER 31, 2021	10,722,024	$ 4,664	$ 114,223	$ (969)	$ (72,797)	$ 45,121
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
Net loss	-	-	-	-	(8,145)	(8,145)
BALANCE AT JUNE 30, 2022	11,086,481	$ 4,831	$ 116,585	$ (969)	$ (80,942)	$ 39,505
BALANCE AT DECEMBER 31, 2022	11,186,481	$ 4,873	$ 118,099	$ (969)	$ (89,722)	$ 32,281
Exercise of options	32,913	14	134	-	-	148
Exercise of warrants	186,000	76	668	-	-	744
Share-based compensation	-	-	819	-	-	819
Net income	-	-	-	-	2,047	2,047
BALANCE AT JUNE 30, 2023	11,405,394	$ 4,963	$ 119,720	$ (969)	$ (87,675)	$ 36,039

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

	Ordinary shares		Additional paid-in capital	Currency translation differences	Accumulated deficit	Total
	Number of shares	Amounts				
BALANCE AT MARCH 31, 2022	11,086,481	$ 4,831	$ 115,991	$ (969)	$ (76,657)	$ 43,196
Share-based compensation	-	-	594	-	-	594
Net loss	-	-	-	-	(4,285)	(4,285)
BALANCE AT JUNE 30, 2022	11,086,481	$ 4,831	$ 116,585	$ (969)	$ (80,942)	$ 39,505
BALANCE AT MARCH 31, 2023	11,385,041	$ 4,955	$ 119,341	$ (969)	$ (93,437)	$ 29,890
Exercise of options	20,353	8	81	-	-	89
Share-based compensation	-	-	298	-	-	298
Net income	-	-	-	-	5,762	5,762
BALANCE AT JUNE 30, 2023	11,405,394	$ 4,963	$ 119,720	$ (969)	$ (87,675)	$ 36,039

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,	
	2023	2022
Cash flows from operating activities:		
Income (loss)	$ 2,047	$ (8,145)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	546	501
Interest from Short term deposits	-	(87)
Interest from restricted deposits	11	-
Share-based compensation to employees and consultants	852	1,055
Exchange differences on cash and cash equivalents	444	727
Changes in operating asset and liability items:		
Decrease (increase) in trade receivables	(10,151)	261
Increase in inventories	(155)	(275)
Increase in other accounts receivable and prepaid expenses	(215)	(170)
Decrease in operating right of use assets	254	220
Decrease in trade payables	(370)	(274)
Decrease in lease liabilities	(435)	(643)
Decrease in accrued liabilities and other payables	(22)	(305)

Decrease in deferred revenues	-	(32)
Net cash used in operating activities	(7,194)	(7,167)
Cash flows from investing activities:		
Capitalization of intangible assets	-	(12)
Purchase of property and equipment	(482)	(678)
Repayment of a short-term cash deposits	-	50,238
Investment in short term cash deposits and restricted deposits	(59)	(20,000)
Net cash provided by (used in) investing activities	(541)	29,548
Cash flows from financing activities:		
Exercise of options and warrants into shares	892	1,474
Net cash provided by financing activities	892	1,474
Exchange differences on cash and cash equivalents, restricted cash and restricted deposits	(444)	(727)
Net increase (decrease) in cash and cash equivalents, restricted cash and restricted deposits	(7,287)	23,128
Cash and cash equivalents, restricted cash and restricted deposits at the beginning of the period	29,653	13,374
Cash and cash equivalents, restricted cash and restricted deposits at the end of the period	$ 22,366	$ 36,502

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

	Six months ended June 30,	
	2023	**2022**
Appendix to the statement of cash flows		
A. Supplementary information on investing and financing activities not involving cash flows:		
Right of use assets recognized with corresponding lease liabilities	870	59
Capitalization of Share-based compensation to inventory	33	-
B. Reconciliation of Cash, cash equivalents and restricted cash at the end of the period		
Cash and cash equivalents	22,283	36,290
Restricted cash	83	-
Restricted deposits (including long term)	-	212
Total cash and cash equivalents, restricted cash and restricted deposits	$ 22,366	$ 36,502

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 recombinant human collagen (rhCollagen) produced with its 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 from sales of (i) BioInk products for the development of 3D bioprinting of organs and tissues, (ii) rhCollagen for the medical aesthetics market, and (iii) rhCollagen-based products for tendinopathy and wound healing.

The Company operates through its wholly-owned subsidiary, CollPlant Ltd. ("CollPlant"). In November 2021 CollPlant established CollPlant Inc., a wholly owned subsidiary in the United States. As of June 30, 2023, CollPlant Inc. has not commenced operation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The unaudited 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 financial statements reflect all adjustments, which include normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual financial statements for the year ended December 31, 2022, as filed in the 20-F on March 29, 2023.

The Company's interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year. The significant

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

accounting policies applied in the annual consolidated financial statements of the Company as of December 31, 2022, contained in the Company's Annual Report have been applied consistently in these unaudited condensed consolidated financial statements.

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. The Company's management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. Actual results may differ from those estimates.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUE):

c. Principles of consolidation

The consolidated financial statements include the accounts of CollPlant Biotechnologies Ltd. and its wholly-owned subsidiary, CollPlant Ltd. Intercompany balances and transactions have been eliminated upon consolidation.

d. Fair value measurement

The carrying amount of the cash and cash equivalents, restricted deposits, trade receivable, trade payables, accrued expenses and other liabilities approximates their fair value.

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 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 share options and warrants, which are included under the treasury stock method when dilutive.

	Six months ended June 30,		Three months ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net income (loss)	$ 2,047	$ (8,145)	$ 5,762	$ (4,285)
Denominator:				
Basic weighted-average ordinary shares outstanding	11,329,516	10,935,611	11,369,031	11,086,481
Effect of share-based compensation	409,368	—	408,108	—
Diluted weighted average ordinary shares outstanding	11,738,884	10,935,611	11,777,139	11,086,481
Basic net income (loss) per share	$ 0.18	$ (0.74)	$ 0.51	$ (0.39)
Diluted net income (loss) per share	$ 0.17	$ (0.74)	$ 0.49	$ (0.39)

1,201,811 options were excluded from the calculation of diluted net income per share due to their anti-dilutive effect for the six and the three months ended June 30, 2023.

NOTE 3 - INVENTORY:

a. Inventories at June 30, 2023 and December 31, 2022 consisted of the following:

	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Work in progress	$ 682	$ 881
Finished goods'	870	549
Total inventory	$ 1,552	$ 1,430

b. During the six and three months period ended June 30, 2023, the Company recorded approximately $261 and $215 for write-down of inventory under cost of revenues, respectively.

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 revenues,

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

respectively.

NOTE 4 - SHARE CAPITAL:

a. Changes in share capital

- In 2022, three U.S investors exercised 425,000 warrants into 425,000 ordinary shares in return for $1,700.
- On February 23, 2023, Ami Sagi exercised 186,000 warrants into 186,000 ordinary shares in return for $744.

b. Share- based compensation

1) Option plan

Under the Company's Share Ownership and Option Plan (2010), or the 2010 Plan, employees, directors and consultants of the Company may be granted options, each exercisable into one ordinary share of the Company of NIS 1.50 par value.

NOTE 4 - SHARE CAPITAL (CONTINUE):

Options grants

Options granted under the 2010 Plan:

In the six months ended June 30, 2023 and 2022, the Company granted options as follows:

	Six months ended June 30, 2023			
	Number of options granted	Exercise price range	Vesting period	Expiration
Employees	104,500	$ 7.5	4 years	10 years

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

The fair value of options granted during the six months ended June 30, 2023, and 2022 was $805 and $3,511, respectively.

The fair value of options granted 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	
	2023	2022
Value of ordinary share	$ 7.5	$ 9.07-9.22
Dividend yield	0%	0%
Expected volatility	74.1%	67.28%-67.95%
Risk-free interest rate	0.36%	1.72%-3.03%
Expected term	6.11 years	6.11 years

NOTE 4 - SHARE CAPITAL (CONTINUE):

The following table summarizes the number of options granted to employees and directors under the 2010 Plan for the six months period ended June 30, 2023:

	Number of options	Weighted average exercise price
Options outstanding at the beginning of the period	1,868,749	$ 7.85
Granted	104,500	7.5

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

Exercised	(29,163)	4.43
Forfeited or expired	(95,559)	9.43
Options outstanding at the end of the period	1,848,527	$ 7.8
Options exercisable at the end of the period	1,105,189	$ 7.35

The following table summarizes the number of options granted to consultants under the Option Plan for the six months period ended June 30, 2023:

	Number of options	Weighted average exercise price
Options outstanding at the beginning of the period	15,416	$ 16.04
Granted	-	-
Exercised	(3,750)	5.07
Forfeited or expired	-	-
Options outstanding at the end of the period	11,666	$ 16.45
Options exercisable at the end of the period	6,329	$ 9.81

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	
	2023	2022	2023	2022
Cost of revenue	$ 19	$ 2	$ 11	$ 2
Research and development	307	374	121	173
General, administrative and marketing	526	647	206	400
	$ 852	$ 1,023	$ 338	$ 575

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. CollPlant has successfully completed the development of the aseptic process and is producing and supplying sterile rhCollagen.

Pursuant to the Development Agreement, CollPlant granted to AbbVie and certain of 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.

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 received 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 June 2023, the Company announced the achievement of a milestone with respect to the clinical phase dermal filler product. According to the Development Agreement, the milestone achievement triggered a $10,000 payment from AbbVie to CollPlant, which was received in July 2023.

NOTE 6 - SUPPLEMENTARY FINANCIAL STATEMENT INFORMATION

a. Disaggregated revenues:

	Six months ended June 30,		Three months ended June 30,	
	2023	2022	2023	2022
Revenues from milestones (See note 5)	$ 10,000	$ -	$ 10,000	$ -
Revenues from the sales of goods	617	132	184	66
Total revenues	$ 10,617	$ 132	$ 10,184	$ 66

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

b. Revenues by geographic area were as follows:

	Six months ended June 30,		Three months ended June 30,	
	2023	2022	2023	2022
United states and Canada	$ 10,592	$ 74	$ 10,161	$ 41
Europe and others	25	58	$ 23	25
Total revenues	$ 10,617	$ 132	$ 10,184	$ 66

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.

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,	
	2023	2022	2023	2022
Customer A	$ 10,527	$ *)	$ 10,151	$ 9
Customer B	$ *)	$ 64	$ *)	$ 32
Customer C	$ *)	$ 37	$ *)	$ *)

*) Less than 10%.

NOTE 7 - SUBSEQUENT EVENTS

a. On August 23, 2023, the board of directors approved the grant of an aggregate of 33,500 options exercisable into 33,500 ordinary shares to the Company's employees, at an exercise price of $6.5 per share. The options will vest over four years with one quarter vesting one year after the grant date and the remaining balance will vest in equal parts at the end of each subsequent quarter.

b. On August 23, 2023, the board of directors approved repricing of outstanding options to purchase an aggregate of 999,648 ordinary shares held by the Company's employees and directors to an exercise price of $6.39 per share, subject to obtaining regulatory approvals, and with regard to options granted to members of the board (including the Company's Chief Executive Officer), subject to shareholders' approval.

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, 2022 (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 Biotechnologies Ltd.

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 pre-clinical and clinical trials with respect to our breast implants, tissues and organs which are based on our rhCollagen based BioInk and other products for medical aesthetics;
- 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 and 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;
- current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk;
- 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 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 collaborations include, among others, AbbVie, STEMCELL, Tel Aviv University, Sheba Medical Center, the Advanced Regenerative Manufacturing Institute, and the RegenMed Development Organization.

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 are printed 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. We plan to initiate a second large-animal study to evaluate commercial sized 3D bioprinted regenerative breast implants, by the end of 2023.

In February 2021, we entered into a Development, Exclusivity and Option Products Agreement with AbbVie ("AbbVie Agreement"), 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 rhCollagen technology and AbbVie's technology.

In June 2023, we announced the achievement of a milestone with respect to the clinical phase dermal filler product under the AbbVie Agreement, which triggered a $10 million payment from AbbVie to us.

In November 2022 we launched Collink.3D-90, a rhCollagen-based bioink solution for use in a variety of 3D bioprinting applications, offering increased mechanical properties to address additional printing requirements of soft and hard tissues. Collink.3D-90 is complementary to our first commercial bioink, Collink.3D-50, which was launched in November 2021, for use in 3D bioprinting. Collink.3D-50 was designed to allow the scalable and reproduceable biofabrication of scaffolds, tissues and organ transplants. Made entirely from human-derived collagen, Collink.3D bioinks enables the production of scaffolds that accurately mimic the physical properties of human tissues and organs, with improved bio-functionality, safety and reproducibility.

Also in November 2022, we entered into a license and research agreement with Tel Aviv University and Sheba Medical Center hospital, to co-develop a 'Gut-on-a-Chip' tissue model for drug discovery and high throughput screening of drugs. The model is intended to be used in personal medicine applications for the treatment of ulcerative colitis, an inflammatory bowel disease affecting millions of individuals worldwide.

In January 2023, we launched Collink.3D-50L in powder form, which is our first bioink available in powder form and provides enhanced operational flexibility to support a wide range of 3D bioprinting applications, including drug discovery, drug screening, tissue testing as well as the development of transplantable tissues and organs.

In April 2023, we announced a joint development and commercialization agreement with Stratasys Ltd., pursuant to which we agreed to collaborate on the development of a solution to bio-fabrication human tissues and organs, using Stratasys' P3 technology-based bioprinter and our rhCollagen-based bioinks.

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.

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, 2023, we generated revenues of $10.6 million, mainly from the achievement of a milestone with respect to the AbbVie agreement, which triggered a $10 million payment, and 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 and upon entitlement to milestone payment with respect to AbbVie Agreement.

Cost of Revenues

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, 2023 were $4.7 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

Between 2013 and 2019, we received grants from the Israeli Innovation Authority ("IIA"), as part of the research and development programs for our rhCollagen technology and some of 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 ("Innovation Law"), and related regulations. These grants are subject to repayment through future royalty payments on any products resulting from these research and development programs. 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, 2023. For the six months period ending June 30, 2023, we recorded royalty expenses to the IIA in the amount of $318,500. Since inception and until June 30, 2023 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 Innovation 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, 2022.

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;
- business development and marketing activities;
- stock exchange fees and related services; and
- board members related expenses, including fees and directors' and officers' 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' and officers' liability insurance premiums, and costs related to investor relations.

Financial Income/Financial Expense, net

Financial income includes interest income regarding short-term deposits and restricted deposits. Financial expense consists of bank commissions and exchange rate differences from the strengthening 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, 2022, we have incurred operating losses of approximately $21.5 million for CollPlant Biotechnologies Ltd. and $66.3 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 Israeli Law for the Encouragement of Capital Investments, 5719-1959, 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 (unaudited):

	Six months ended June 30		Three months ended June 30	
	2023	2022	2023	2022
	USD in thousands, except per share data			
Revenues	$ 10,617	$ 132	$ 10,184	$ 66
Cost of revenues	940	74	615	43
Gross Profit	9,677	58	9,569	23
Operating expenses:				
Research and development	4,676	4,841	2,574	2,599
General, administrative and marketing	2,843	3,170	1,318	1,609
Total operating expenses:	7,519	8,011	3,892	4,208
Operating income (loss)	2,158	(7,953)	5,677	(4,185)
Financial income (expenses), net	(111)	(192)	85	(100)
Net income (loss) for the period	$ 2,047	(8,145)	$ 5,762	$ (4,285)
Basic net income (loss) per ordinary share	$ 0.18	$ (0.74)	$ 0.51	$ (0.39)
Diluted net income (loss) per ordinary share	$ 0.17	$ (0.74)	$ 0.49	$ (0.39)

Three months ended June 30, 2023, compared to three months ended June 30, 2022

Revenues

We generated revenues of $10.2 million in the three months ended June 30, 2023, compared to $66,000 for the three months ended June 30, 2022. The increase in revenues is mainly related to the achievement of a milestone with respect to the AbbVie agreement, which triggered a $10 million payment.

Cost of revenues

We incurred cost of revenue in the amount of $615,000 in the three months ended June 30, 2023, compared to $43,000 in the three months ended June 30, 2022. The increase in cost of revenues in the amount of approximately $572,000 is mainly comprised of: (i) $305,000 in royalty expenses to the IIA mainly related to the milestone payment received from AbbVie, and (ii) $171,000 relating to the 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, 2023 and $2.6 million in the three months ended June 30, 2022.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of $1.3 million in the three months ended June 30, 2023, compared to $1.6 million in the three months ended June 30, 2022. The decrease in expenses related mainly to (i) $223,000 in employees' salaries expense including a decrease in accrued vacation liability and alterations in employment contractual terms implemented in 2022, and (ii) $194,000 share-based compensation expenses mainly related to a directors grant in May 2022, offset by an increase of approximately $116,000 in professional services expenses and patents expenses.

Financial Income (Expenses), Net

Financial income, net, totaled $85,000 in the three months ended June 30, 2023, compared to financial expenses, net of $100,000, net in the three months ended June 30, 2022. The increase in financial income is due to interest received from our short-term cash deposits and exchange rate differences.

Six months ended June 30, 2023, compared to six months ended June 30, 2022

Revenues

We generated revenues from the sale of our BioInk, rhCollagen and VergenixFG, as well as revenues from the AbbVie Agreement, of approximately $10.6 million in the six months ended June 30, 2023, compared to $132,000 for the six months ended June 30, 2022. The increase of $10.5 million related almost entirely to the achievement of a milestone under the AbbVie Agreement and a $500,000 increase in sales of rhCollagen.

Cost of revenues

We incurred cost of revenue in the amount of $940,000 in the six months ended June 30, 2023, compared to $74,000 in the six months ended June 30, 2022. The increase in cost of revenues in the amount of approximately $866,000 is mainly comprised of: (i) $316,000 in royalty expenses to the IIA mainly related to the milestone payment received from AbbVie, and (ii) $424,000 relating to the sales of BioInk, VergenixFG, and rhCollagen.

Research and Development Expenses

We incurred research and development expenses amounting to $4.7 million in the six months ended June 30, 2023, compared to $4.8 million in the six months ended June 30, 2022.

General, Administrative and Marketing Expenses

We incurred general, administrative, and marketing expenses of $2.8 million in the six months ended June 30, 2023, compared to $3.2 million in the six months ended June 30, 2022. The decrease in expenses amounting to approximately $400,000 is mainly comprised of: (i) $278,000 in employees' salaries expense including a decrease in our accrued vacation liability and alterations in employment contractual terms implemented in 2022, and (ii) $124,000 share based compensation expenses mainly related to options granted in 2022.

Financial Income (Expenses), Net

Financial expenses, net for the six months ended on June 30, 2023, totaled $111,000 compared to financial expenses, net of $192,000 in the six months ended on June 30, 2022. The decrease in financial expenses, net is due to interest received from our short term cash deposits.

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, restricted cash and restricted deposits as of June 30, 2023 and December 31, 2022 totaled $22.4 million and $29.7 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. In July 2023, we received an additional $10 million 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

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, share-based compensation, exchange differences on cash and cash equivalents, interest from short term deposits and interest from restricted deposit. 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, 2023, totaled $7.2 million and consisted primarily of (i) net income of $2.0 million, adjusted for non-cash items including depreciation of $546,000, shared-based compensation of $852,000, and interest from restricted deposits of $11,000 and (ii) a net change in operating assets and liabilities of $11.1 million, which is attributable almost entirely to an increase of $10.2 million in trade receivables related mainly to a milestone achievement payment from AbbVie.

Net cash provided by 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 $1.1 million and interest from short-term cash deposits of $87,000, and (ii) a net change in operating assets and liabilities of $1.2 million.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities was $541,000 during the six months ended June 30, 2023 and net cash provided by investing activities of $29.5 million during the six months ended June 30, 2022. The decrease is mainly attributed to repayment and investment in short-term cash deposits during the six months ended June 30, 2022.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $892,000 for the six months ended June 30, 2023 compared to $1.5 million in the six months ended June 30, 2022. Cash provided by financing activities is attributed to proceeds from the exercise of warrants and options into shares.

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

- Lease liabilities in the amount of $598,000; and
- Trade and other payables in the amount of $2.2 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 $2.7 million.

Cash and Funding Sources

The table below summarizes our sources of funding for the six months ended June 30, 2023:

	Exercise of Options and Warrants into shares	Strategic Collaboration	Total
		U.S. dollars in thousands	
Six months ended June 30, 2023	892	-(1)	892

(1) In June 2023, we announced the achievement of a milestone with respect to the clinical phase dermal filler product under the AbbVie Agreement, which triggered a $10 million payment from AbbVie to us. The payment was received during July 2023.

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, 2023, 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, 2023, from those as of December 31, 2022 as reported in our Annual Report on Form 20-F for the year ended December 31, 2022, as filed with the SEC on March 29, 2023.

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 $7.0 million (assuming 100% of the royalties are payable). This liability is contingent upon sales of our rhCollagen-based products.