

April 8, 2014

**CollPlant Holdings Ltd**  
(“The Company” or “CollPlant”)

**Re: CEO Letter to Shareholders**

Dear CollPlant Shareholders,

During 2013 CollPlant concentrated on its activity and made enormous progress towards commercializing its products. I would like to take this opportunity to report to you on CollPlant's work and principal achievements in the past year and to provide an update on what can be expected in 2014.

**In 2013 CollPlant achieved the following milestones:**

**Completion of pre-clinical studies**

- The Company successfully completed pre-clinical trials with Vergenix™FG (a Flowable Gel for treating wounds) and with Vergenix™STR (a product to heal inflamed tendons). These two products, which are almost ready for clinical trials, are aimed at markets worth billions of dollars.

**Preparation for production on commercial scale**

- We have developed our manufacturing capabilities to support first sales forecast of these products (start of sales expected in 2015, subject to receiving the regulatory approvals).

**Raising capital from Chinese investor**

- The Company has signed an investment agreement for a very significant amount with a Chinese investor, which has proven ability in the manufacturing and distribution of medical products in China. The relationship with the Chinese investor is an important validation of our technology, and will facilitate penetration of the markets in the Far East in parallel with penetration of the European market.

**Raising capital to support the Company's business plan**

- During the year we completed several rounds of raising capital, both from the Chinese investor and from the Company's shareholders, institutional investors and the Israeli public. These

provide the Company with the financial support to realize its annual and strategic targets.

#### Support of the Chief Scientist

- Development of the Company's products, including bone void filler, the product for treating inflamed tendons, and the gel for treating wounds, have consistently received the support of the Chief Scientist, who confirmed his support for our development plan for 2013 with a total budget of NIS 7 million.

#### Ongoing reinforcement of the Company's patent protection

- We have completed registering Collplant's major patent, which protects the Company's core technology to create a human collagen in tobacco plants, in two main territories, the USA and Japan, which join those territories where a patent is already registered (Europe, China, Singapore, Australia, New Zealand, India, Mexico and South Africa).
- In addition we have completed the registration in the USA and Australia of another important patent that facilitates the production of complex products based on proteins and polysaccharide (which allow us develop unique orthopedic products and other medical products in the area of tissue repair).

In 2014 the Company's activity will focus on three main targets: Completion of clinical trials and preparations to market in Europe with the product for treatment of inflamed tendons and the gel for wounds, managing existing joint ventures, and aiming for further strategic joint ventures.

#### **In 2014, among other, we will focus on the following objectives:**

- Carrying out a clinical study on the syringe for treating wounds, obtaining CE approval for sales of the product in Europe.
- Carrying out a clinical trial with the product for healing inflammations in tendons, and submitting an application for CE approval in order to obtain it at the beginning of 2015.
- Signing an agreement with an international distributor to distribute the first products in Europe. The Company is holding talks with companies with proven capabilities to distribute these products in Europe.
- Preparation for launching the Company's products in China via the Chinese investor. This will take place in parallel to the process of obtaining the CE mark in Europe.
- Engage with strategic partner in the field of active orthopedics, to develop and commercialize products for the treatment of posterolateral spinal fusion and bones, based on CollPlant's rhCollagen and rhBMP-2.



I would like to thank our shareholders for the immense faith they have placed in the Company, as well as the Board of Directors and the Company's management and employees for their dedicated work and commitment to the Company's success. Thanks to your support the Company is now positioned for take-off with unique products and a clear commercialization strategy, and I am very confident of the Company's ability to achieve the objectives it has set itself.

Yours sincerely,



Yehiel Tal, CEO  
CollPlant Holdings Ltd

Disclaimer concerning forecast information - for the sake of clarity it is stated that the above information concerning targets and commercial targets, including forecasts, assessments and/or plans of the Group in respect of this strategy, targets and timetables related to realizing the above expected developments, includes forecast information, in the meaning of this term in the Securities Law, whose achievement is not certain, and it is possible that it will not be achieved and/or not fully achieved or achieved in a manner that is significantly different from what was originally forecast, on account inter alia of factors that are beyond the Group's control, including changes in market conditions and in the competitive and commercial environment, requirements of regulatory bodies in respect of the trials involved in the development of new products, non-completion of joint development work for the said development and/or commercialization agreements, failure to enter an engagement with strategic partner, changes in plans and in markets in which other parties to the contacts operate, a delay in the receipt of approvals or requirements and/or regulatory processes in Europe become more stringent.