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## CollPlant Biotechnologies (NASDAQ/CLGN)

February 8, 2021

### BUY: Allergan and AbbVie Come on Board With \$14M Upfront

CollPlant announced it has entered into a worldwide exclusive development and commercialization agreement for dermal and soft tissue filler products with Allergan Aesthetics, an AbbVie company (ABBV – Not Rated). The partners pick up worldwide exclusivity to use its plant-derived recombinant human collagen (rhCollagen) in combination with Allergan Aesthetics' proprietary technologies for the production and commercialization of dermal and soft tissue fillers. In addition, Allergan Aesthetics has the right of first negotiation for CollPlant's technology in two future additional products. CollPlant receives an upfront payment of \$14M and is entitled to receive up to an additional \$89M in milestone payments. In addition, CollPlant is eligible to receive royalty payments and a fee for the manufacture and supply of rhCollagen to Allergan Aesthetics.

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### Investment Highlights

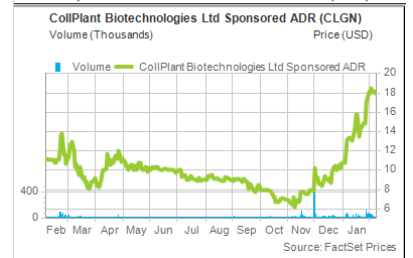
**The Best Collagen on the Market, in Our View.** CollPlant differentiates itself through its tobacco-based rhCollagen production platform, which is currently the only commercially viable plant-derived human Collagen on the market. The type 1 collagen, which is being used in the medicinal field, is primarily extracted from cows, pigs, and human cadavers, and comes with several disadvantages. The process required to recycle Collagen from mature tissue cells comes with an inherent risk of mutations in its protein structure. Extraction from animal or human tissue is also associated with the risk of disease transmission. Tissue-derived collagen has a low homogeneity profile, leading to lower efficacy of regeneration and the possibility of inflammatory responses from foreign body responses. One of CollPlant's goals with its rhCollagen production platform is to overcome these issues, delivering an unlimited capacity of a pure (and safe) product.

**rhCollagen. A safer, efficient, effective alternative.** CollPlant's rhCollagen is derived from genetically engineered tobacco plants but is identical to the type 1 collagen that is produced by the human body. Tobacco is used as the production platform because it is both an easy crop to grow and able to be genetically manipulated. CollPlant's understanding of tobacco on a molecular level allows for precise control over the product with the ability to produce it on an industrial scale. CollPlant's plant-derived rhCollagen has been demonstrated to heal tissue faster, has faster human cell proliferation, superior homogeneity, and an improved safety profile with greater purity. Using a plant-based product reduces the risk of complications such as rejection by the patient or infection. By producing rhCollagen through tobacco, the product is not only effective but is also more cost-efficient to produce. These features make CollPlant's rhCollagen an ideal building block for 3D bioprinting of tissues and organs, soft tissue repair, healing of wounds, and dermal fillers. Lifesaving organ (development) is the focus of the company's partnerships with United Therapeutics (UTHR)-Not Rated.

**Valuation:** We are raising our probability of success in our rhCollagen aesthetics model from 70% to 90%. The effect is our price target rises from \$15.00 to \$21.00 per share. Please see our detailed valuation models for more information.

**Risk Factors:** These include Clinical Risk, Partnership Risk, Investment and Financial Risk, Regulatory Risk, Market Share Risk, and Legal and Commercial Risks.

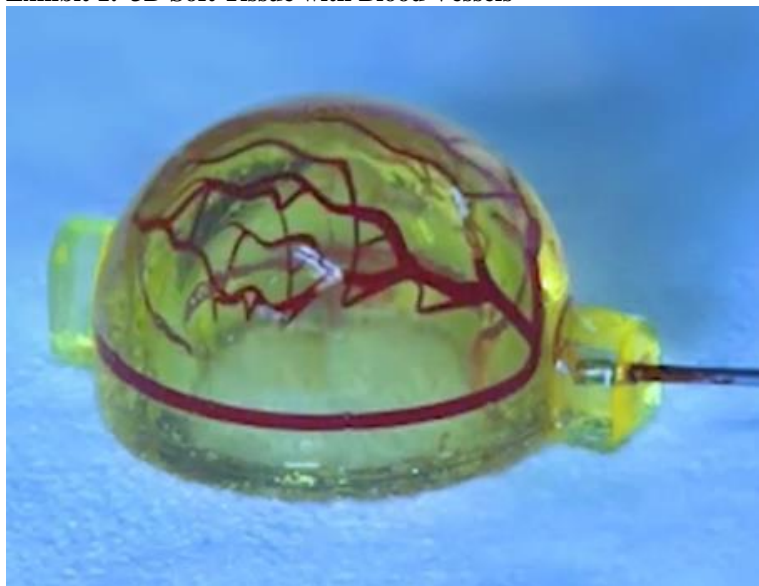
Current Price	\$17.97		
Price Target	\$21.00		
<b>Estimates</b>	<b>F2019A</b>	<b>F2020E</b>	<b>F2021E</b>
Expenses (\$000s)	\$ 8,644	\$ 18,134	\$ 17,007
1Q March	\$ 2,150	\$ 2,316	\$ 4,152
2Q June	\$ 2,194	\$ 5,052	\$ 4,202
3Q September	\$ 2,150	\$ 8,466	\$ 4,302
4Q December	\$ 2,150	\$ 2,300	\$ 4,352
	<b>F2019A</b>	<b>F2020E</b>	<b>F2021E</b>
EPS (diluted)	\$ (1.06)	\$ (1.51)	\$ 0.48
1Q March	\$ (0.01)	\$ (0.24)	\$ 0.21
2Q June	\$ (0.33)	\$ (0.52)	\$ 0.07
3Q September	\$ (0.36)	\$ (0.42)	\$ 0.09
4Q December	\$ (0.37)	\$ (0.32)	\$ 0.10
EBITDA/Share	(\$0.11)	(\$1.55)	\$0.44
EV/EBITDA (x)	-985	-73	255
<b>Stock Data</b>			
52-Week Range	\$4.90	-	\$14.55
Shares Outstanding (mil.)			6.5
Market Capitalization (mil.)			\$116
Enterprise Value (mil.)			\$113
Debt to Capital			0%
Book Value/Share			\$0.02
Price/Book			7.9
Average Three Months Trading Volume (K)			31
Insider Ownership			40.2%
Institutional Ownership			22.3%
Short interest (mil.)			0.1%
Dividend / Yield			\$0.00/0.0%



Please find Important Disclosures beginning on Page 7.

**rhCollagen is likely the Future for Collagen Based Medicine.** CollPlant’s production pipeline revolves around the treatment of organ and tissue failure through 3D bioprinting, aesthetic medicine, Orthobiologics, and advanced wound care. CollPlant aims to make its rhCollagen platform technology the gold standard for collagen-based products. A partnership with United Therapeutics is active today, evaluating the feasibility of producing bio-printed organs. Collplant has two products, Vergenix STR and Vergenix FG, being commercialized in Europe and is developing other collaborations with its Bio Inks and Medical aesthetics products.

**Exhibit 1. 3D Soft Tissue with Blood Vessels**



Source: CollPlant

**Exhibit 2. Product Models**

VergenixSTR (Arthrex) - Tendon repair	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	17,405,517	17,753,627.81	18,108,700	18,470,874.37	18,840,292	19,217,097.89	19,601,440	19,993,468.44	20,393,338	20,801,204.56	21,217,229	21,641,573
Growth	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Target Population	10,000,000	10,600,000	10,812,000	11,028,240	11,248,805	11,473,781	11,703,257	11,937,322	12,176,068	12,419,589	12,667,981	12,921,341
Market Share	0.2%	0.4%	1%	2%	2%	3%	4%	5%	6%	6%	6%	6%
Treated Patients	15,000	42,400	75,684	165,424	224,976	344,213	468,130	596,866	730,564	745,175	760,079	775,280
Cost per year	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
% Price Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue (M) \$	7.5	21.2	37.8	82.7	112.5	172.1	234.1	298.4	365.3	372.6	380.0	387.6
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
<b>Total sales (\$M)</b>	<b>\$2</b>	<b>\$6</b>	<b>\$11</b>	<b>\$25</b>	<b>\$34</b>	<b>\$52</b>	<b>\$70</b>	<b>\$90</b>	<b>\$110</b>	<b>\$112</b>	<b>\$114</b>	<b>\$116</b>

VergenixFG - Wound Healing	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	21,016,080	21,436,402	21,865,130	22,302,432	22,748,481	23,203,450	23,667,519.50	24,140,870	24,623,687.28	25,116,161	#####	26,130,854
Growth	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Target Population	12,609,648	13,240,130	13,902,137	14,597,244	15,327,106	16,093,461	16,898,134	17,743,041	18,630,193	19,561,703	20,539,788	21,566,777
Market Share	0%	0%	0%	1%	2%	2%	3%	3%	3%	4%	4%	4%
Treated Patients	1,000	13,240	55,609	116,778	229,907	321,869	506,944	532,291	558,906	782,468	821,592	862,671
Cost per year	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
% Price Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue (M) \$	0.5	6.6	27.8	58.4	115.0	160.9	253.5	266.1	279.5	391.2	410.8	431.3
Probability of Success	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
<b>Total sales (\$M)</b>	<b>\$0</b>	<b>\$2</b>	<b>\$8</b>	<b>\$18</b>	<b>\$34</b>	<b>\$48</b>	<b>\$76</b>	<b>\$80</b>	<b>\$84</b>	<b>\$117</b>	<b>\$123</b>	<b>\$129</b>

Biolink (United Therapeutics) Lung Biotech PBC	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	1,576,206	1,607,730	1,639,885	1,672,682	1,722,863	1,774,549	1,845,531	1,919,352	1,996,126	2,075,971	2,159,010	2,245,370
Growth	2%	2%	2%	3%	3%	4%	4%	4%	4%	4%	4%	4%
Target Population	1,260,965	1,286,184	1,311,908	1,338,146	1,378,290	1,419,639	1,476,425	1,535,482	1,596,901	1,660,777	1,727,208	2,020,833
Market Share	0%	0%	1%	2%	2%	3%	3%	3%	3%	3%	3%	3%
Treated Patients	1,261	5,145	10,495	20,072	27,566	42,589	44,293	46,064	47,907	49,823	51,816	60,625
Cost per year	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
% Price Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue (M) \$	1.3	5.1	10.5	20.1	27.6	42.6	44.3	46.1	47.9	49.8	51.8	60.6
Probability of Success	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Total sales (\$M)</b>	<b>\$0.1</b>	<b>\$0.5</b>	<b>\$1.0</b>	<b>\$2.0</b>	<b>\$2.8</b>	<b>\$4.3</b>	<b>\$4.4</b>	<b>\$4.6</b>	<b>\$4.8</b>	<b>\$5.0</b>	<b>\$5.2</b>	<b>\$6.1</b>

Aesthetic Medicine	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	4,203,216	4,287,280	4,415,899	4,592,535	4,776,236	4,967,286	5,165,977	5,372,616	5,587,521	5,811,021	6,043,462	6,285,201
Growth	2%	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Target Population	3,858,552	3,974,309	4,133,281	4,298,612	4,470,557	4,649,379	4,835,354	5,028,769	5,229,919	5,439,116	5,656,681	
Market Share	0%	0%	0%	1%	3%	4%	4%	4%	4%	4%	4%	4%
Treated Patients	1,000	11,923	33,066	128,958	178,822	185,975	193,414	201,151	209,197	217,565	226,267	
Cost per year	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
% Price Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Revenue (M) \$	0.4	4.8	13.2	51.6	71.5	74.4	77.4	80.5	83.7	87.0	90.5	
Probability of Success	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
<b>Total sales (\$M)</b>	<b>\$0.0</b>	<b>\$0.4</b>	<b>\$4.3</b>	<b>\$11.9</b>	<b>\$46.4</b>	<b>\$64.4</b>	<b>\$67.0</b>	<b>\$69.6</b>	<b>\$72.4</b>	<b>\$75.3</b>	<b>\$78.3</b>	<b>\$81.5</b>

Source: Dawson James estimates, company reports

### Modeling Assumptions:

1. We assume Verigenix STR and Verigenix FG achieve only modest European market share penetration. This is a result of the limited capital supporting the launch. The data, thus far, has been quite good on the associated outcomes with the products. In addition to our modest market share assumptions, we assume only a 30% probability of success that the full revenue potential of the products is realized. We do this for conservatism.
2. Bio Ink – United Therapeutics. How does one model the value of producing a synthetic lung, heart, or kidney? Collagen, as the building block, is ideally positioned to be a part of the organ replacement market. We assume modest pricing for the ink, very modest market share penetration, single digits, and even more modest success assumption of just 10%. Here too, we do this for conservatism. We do discuss in the report the potential catalysts associated with the partnership, including U.S. production of Collagen and expansion to additional target organs. The value could be between \$5M and \$15M, but no revenues are assumed in our model. We do, however, assume the company returns to the capital markets and raises additional operating capital. In this way, our model projections are based on fully diluted out year share calculations, which may prove to be too conservative, especially if the United deal and an additional partnership deal occur next year.
3. Aesthetic Medicine. The size of this market is also large, blockbuster size (billions). We see CollPlant's rhCollagen as a more ideal dermal filler and as a product scaffold for a variety of new applications from rejuvenation to breast reconstruction. Here too, our assumptions for pricing and market share may be too conservative. Our probability of success assigned is highest here, now raised to 90%, as we feel the pathway is well defined.

**Valuation:** We model CollPlant's rhCollagen technology platform in the 3D bioprinting, aesthetic, and advanced wound care markets. We use varying probabilities for each indication ranging from just 10% to 90% that our sales goals can be achieved. The models then flow into our income statement, which is projected out to 2030. On top of these therapeutic success probabilities, we apply a discount rate (r) of 30% (our highest rate for emerging growth companies), and we assume additional capital raises (dilution) in our final share count. We then apply these projections into our Free Cash Flow, discounted EPS and Sum of the Parts models below and round to the nearest whole number to derive our 12-month price target.

### Exhibit 3. FCFF Model

Average	\$	21
Price Target	\$	21
Year		2021

DCF Valuation Using FCF (min):													
units ('000)	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(3,704)	(7,072)	(10,513)	8,029	31,900	75,484	111,023	142,649	154,138	169,108	195,598	186,397	172,723
Tax Rate	0%	0%	1%	10%	12%	14%	18%	18%	24%	28%	30%	30%	31%
EBIT(1-t)	(3,704)	(7,072)	(10,398)	7,226	28,072	64,917	91,039	116,972	117,145	121,758	136,919	130,478	119,179
CapEx	(796)	(1,090)	(1,090)										
Depreciation	392												
Change in NWC (ex cash)													
FCF	(4,108)	(8,162)	(11,488)	7,226	28,072	64,917	91,039	116,972	117,145	121,758	136,919	130,478	119,179
PV of FCF	(15,253)	(23,313)	(25,239)	12,211	36,493	64,917	70,030	69,214	53,320	42,631	36,876	27,032	18,993
Discount Rate	30%												
Long Term Growth Rate	1%												
Terminal Cash Flow	415,072.35												
Terminal Value YE2030	66,149												
NPV	472,627												
NPV-Debt													
Projected Shares out (thousands)	22,804	2030E											

Source: Dawson James estimates, company reports

### Exhibit 4. Discounted EPS Model

Current Year	2021
Year of EPS	2030
Earnings Multiple	30
Discount Factor	30%
Selected Year EPS	\$ 8.21
NPV	\$ 23.23

Discount Rate and Earnings Multiple Varies, Year is Constant							
		2030 EPS					
		5%	10%	15%	20%	25%	30%
Earnings Multiple	1	\$5.29	\$3.48	\$2.33	\$1.59	\$1.10	\$0.77
	5	\$26.46	\$17.41	\$11.67	\$7.96	\$5.51	\$3.87
	10	\$52.92	\$34.82	\$23.34	\$15.91	\$11.02	\$7.74
	15	\$79.39	\$52.23	\$35.01	\$23.87	\$16.53	\$11.61
	20	\$105.85	\$69.64	\$46.68	\$31.82	\$22.04	\$15.48
	25	\$132.31	\$87.05	\$58.35	\$39.78	\$27.55	\$19.36
	30	\$158.77	\$104.46	\$70.02	\$47.74	\$33.06	\$23.23
	35	\$185.24	\$121.87	\$81.69	\$55.69	\$38.57	\$27.10

Source: Dawson James estimates, company reports

**Exhibit 5. Sum of the Parts Model**

Sum of the Parts	LT Gr	Discount Rate	Yrs. to Peak	% Success	Peak Sales MMs	Term Val
VergenixSTR	1%	30%	4	30%	\$388	\$1,337
NPV						\$4.62
VergenixFG	1%	30%	3	30%	\$431	\$1,487
NPV						\$6.68
Biolnk	1%	30%	3	10%	\$61	\$209
NPV						\$0.31
Aesthetic Medicine	1%	30%	1	90%	\$91	\$312
NPV						\$7.11
Net Margin						75%
MM Shrs OS (2030E)						23
<b>Total</b>						<b>\$18.7</b>

Source: Dawson James estimates, company reports

**Exhibit 6. Income Statement**

CollPlant Holdings Ltd. (\$000)																
CollPlant: YE Dec 31	2019A	1Q20A	2Q20A	3Q20A	4Q20E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Revenue</b>																
VergenixSTR (Arthrex) - Tendon repair		-				6,360	11,353	24,814	33,746	51,632	70,220	89,530	109,585	111,776	114,012	116,292
VergenixFG - Wound Healing						1,986	8,341	17,517	34,486	48,280	76,042	79,844	83,836	117,370	123,239	129,401
Biolink (United Therapeutics) Lung Biotech PBC						514	1,050	2,007	2,757	4,259	4,429	4,606	4,791	4,982	5,182	6,062
Aesthetic Medicine						360	4,292	11,904	46,425	64,376	66,951	69,629	72,414	75,311	78,323	81,456
Misc Revenues	2,400	609	1,432	5,580		7,621	-	-	-	-	-	-	-	-	-	-
<b>Product Revenues</b>	<b>2,400</b>	<b>609</b>	<b>1,432</b>	<b>5,580</b>	<b>-</b>	<b>7,621</b>	<b>25,036</b>	<b>56,241</b>	<b>117,414</b>	<b>168,547</b>	<b>217,641</b>	<b>243,609</b>	<b>270,625</b>	<b>309,440</b>	<b>320,755</b>	<b>333,211</b>
Royalties																
<b>Total Revenue</b>	<b>2,400</b>	<b>609</b>	<b>1,432</b>	<b>5,580</b>	<b>-</b>	<b>7,621</b>	<b>25,036</b>	<b>56,241</b>	<b>117,414</b>	<b>168,547</b>	<b>217,641</b>	<b>243,609</b>	<b>270,625</b>	<b>309,440</b>	<b>320,755</b>	<b>333,211</b>
<b>Expenses:</b>																
Cost of Goods Sold	1,758	475	1,223	2,664	-	4,362	5,007	11,248	23,483	33,709	43,528	48,722	48,713	46,416	48,113	49,982
<b>%COGS</b>	<b>73%</b>	<b>20%</b>	<b>85%</b>	<b>48%</b>	<b>20%</b>	<b>57%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>18%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
Research and Development	3,272	810	1,812	2,733	1,300	6,655	6,000	7,094	8,947	11,284	14,232	17,951	22,640	27,517	33,444	40,648
Sales and Marketing	3,614	1,031	2,017	3,069	1,000	7,117	6,000	6,000	9,500	12,531	17,232	22,799	30,164	39,909	52,801	69,858
<b>Total Expenses</b>	<b>8,644</b>	<b>2,316</b>	<b>5,052</b>	<b>8,466</b>	<b>2,300</b>	<b>18,134</b>	<b>17,007</b>	<b>24,342</b>	<b>41,930</b>	<b>57,524</b>	<b>74,993</b>	<b>89,472</b>	<b>101,517</b>	<b>113,842</b>	<b>134,359</b>	<b>160,488</b>
<b>Operating Income (loss)</b>	<b>(6,244)</b>	<b>(1,707)</b>	<b>(3,620)</b>	<b>(2,886)</b>	<b>(2,300)</b>	<b>(10,513)</b>	<b>8,029</b>	<b>31,900</b>	<b>75,484</b>	<b>111,023</b>	<b>142,649</b>	<b>154,138</b>	<b>169,108</b>	<b>195,598</b>	<b>186,397</b>	<b>172,723</b>
Financing income	(1,167)	17	26	17												
Total Other Income (expenses)	339	(4)	22													
Financial net (expenses)	<b>(828)</b>	<b>93</b>	<b>48</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pretax Income</b>	<b>(7,072)</b>	<b>(1,601)</b>	<b>(3,572)</b>	<b>(2,869)</b>	<b>(2,300)</b>	<b>(10,513)</b>	<b>8,029</b>	<b>31,900</b>	<b>75,484</b>	<b>111,023</b>	<b>142,649</b>	<b>154,138</b>	<b>169,108</b>	<b>195,598</b>	<b>186,397</b>	<b>172,723</b>
Income Tax Benefit (Provision)		-	-	(115)	(115)	(115)	803	3,828	10,568	19,984	25,677	36,993	47,350	58,679	55,919	53,544
<b>Tax Rate</b>		<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>1%</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>18%</b>	<b>18%</b>	<b>24%</b>	<b>28%</b>	<b>30%</b>	<b>30%</b>	<b>31%</b>
Gain (loss) from discontinued operations																
<b>GAAP Net Income (loss)</b>	<b>(7,072)</b>	<b>(1,601)</b>	<b>(3,572)</b>	<b>(2,869)</b>	<b>(2,185)</b>	<b>(10,513)</b>	<b>8,029</b>	<b>31,900</b>	<b>75,484</b>	<b>111,023</b>	<b>142,649</b>	<b>154,138</b>	<b>169,108</b>	<b>195,598</b>	<b>186,397</b>	<b>172,723</b>
<b>GAAP-EPS</b>	<b>(1.06)</b>	<b>(0.24)</b>	<b>(0.52)</b>	<b>(0.42)</b>	<b>(0.32)</b>	<b>(1.51)</b>	<b>0.48</b>	<b>1.45</b>	<b>6.24</b>	<b>5.64</b>	<b>6.40</b>	<b>6.88</b>	<b>7.52</b>	<b>8.65</b>	<b>8.21</b>	<b>7.57</b>
GAAP-EPS (Dil)	(1.06)	(0.24)	(0.52)	(0.42)	(0.32)	(1.51)	0.48	1.45	6.24	5.64	6.40	6.88	7.52	8.65	8.21	7.57
Wgtd Avg Shrs (Bas) - (000's)	61,749	6,660	6,810	6,861	6,875	6,801	10,667	12,010	12,106	12,203	12,301	12,400	12,499	12,600	12,701	12,803
Wgtd Avg Shrs (Dil) - (000's)	61,749	6,660	6,810	6,816	6,823	6,777	18,152	22,012	12,106	19,702	22,303	22,402	22,501	22,602	22,703	22,804

Source: Dawson James estimates, company reports

## Risk Analysis

**Clinical Trial Risk.** Collplant and its partners may be dependent on the outcome of product based clinical trials.

**Commercial Risk.** Collplant hopes to compete in multiple healthcare-related markets that have traditionally been dominated by large pharma and biotechnology companies with deep pockets (funding and resources), which may make it difficult for Collplant to compete unless the molecule is deemed to be truly differentiated.

**Financial Risk.** Collplant is likely to require additional capital raises before the company can be self-sustaining. There can be no guarantees that the company will be able to raise the needed capital.

**Investment Risk.** Collplant is a small capital company, which can translate into high volatility and risk for investors. The company has no revenues and is dependent on clinical progress of its therapeutics.

**Intellectual Property.** Collplant may face IP challenges, forcing the company to defend its patents or claiming the company is infringing on other patents.

**Market Share Risk.** The collagen and related products market are competitive and tends to be dominated by large pharma and biotechnology and or medical device companies.

**Regulatory Risk.** Collplant, even with good clinical data, could face extensive delays and other regulatory setbacks.

Companies mentioned in this report

3D Systems (DDD): Not Rated)

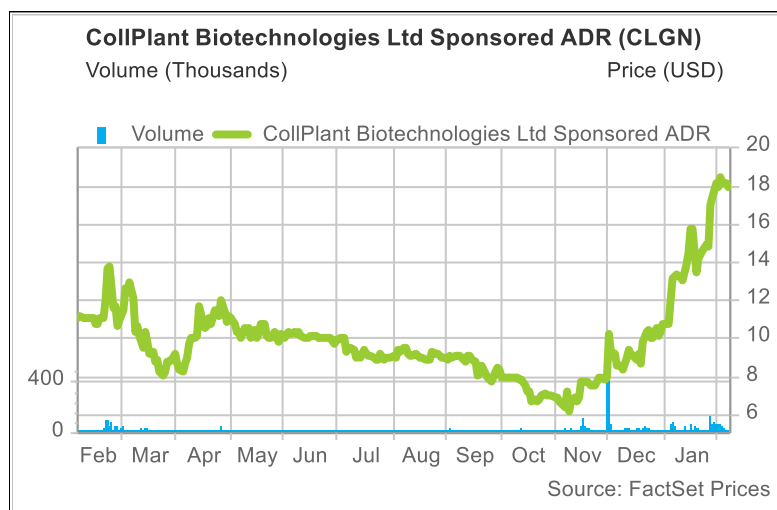
United Therapeutics (UTHR): Not Covered

Allerghan (AGN) Not Covered

Abbvie (ABBV) Not Covered

Important Disclosures:

**Price Chart:**



Price target and rating changes over the past three years:

- Initiated – Buy – November 4, 2019 – Price Target \$9.00
- Price Target Change – Buy – January 27, 2020 – Price Target \$15.00
- Update Report – Buy – May 27, 2020 – Price Target \$15.00
- Update Report – Buy – September 21, 2020 – Price Target \$15.00
- Update Report – Buy – December 3, 2020 – Price Target \$15.00
- Price Target Change – Buy – February 8, 2021 – Price Target \$21.00

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**Rating Definitions:**

- 1) **Buy:** The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
- 2) **Neutral:** The analyst believes the price of the stock is fairly valued for the next 12-18 months;
- 3) **Sell:** The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	21	72%	5	24%
Market Perform (Neutral)	8	28%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	29	100%	5	17%

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