

CITRINE GLOBAL, CORP.

FORM 10-Q (Quarterly Report)

Filed 09/03/25 for the Period Ending 06/30/24

Telephone	972-73-7600341
CIK	0001498067
Symbol	CTGL
SIC Code	7372 - Services-Prepackaged Software
Industry	Medical Equipment, Supplies & Distribution
Sector	Healthcare
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

MARK ONE

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the Quarterly Period ended June 30, 2024; or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____

Commission file number 000-55680

CITRINE GLOBAL, CORP
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

68-0080601

(I.R.S. Employer
Identification No.)

5 Golden Beach, Caesarea Israel

(Address of principal executive offices)

3088900

Zip Code

+ (972) 9 855 1422

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common

Trading Symbol(s)

CTGL

Name of each exchange on which registered

OTC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Non-accelerated filer

☒

Accelerated filer

☐

Smaller reporting company

☒

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30th, 2024, There were 1,044,074,409 shares of the registrant's common stock outstanding as of June 30th, 2024, and 1,234,185,009 as of September 3, 2025.

CITRINE GLOBAL, CORP
Form 10-Q
June 30, 2024

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CITRINE GLOBAL, CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024
U.S. DOLLARS IN THOUSANDS

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CITRINE GLOBAL, CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share and per share data)

	June 30, 2024	December 31, 2023
	<u>(Unaudited)</u>	
Assets		
Current Assets		
Cash and cash equivalents	3	7
Prepaid expenses	106	236
Other current assets	19	15
Total Current assets	<u>128</u>	<u>258</u>
Non-current assets		
Investments valued under the measurement alternative	1,263	2,010
Property and equipment, net	210	218
Total non-current assets	<u>1,473</u>	<u>2,228</u>
Total assets	<u><u>1,601</u></u>	<u><u>2,486</u></u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Short term loans	222	182
Accounts payable	22	18
Accounts payable - related parties	204	180
Accrued compensation – related parties	2,175	1,898
Other current liabilities	485	441
Total current liabilities	<u>3,108</u>	<u>2,719</u>
Non-current liability		
Convertible component in convertible notes – related parties	-	40
Convertible notes – related parties	<u>2,260</u>	<u>2,202</u>
Total liabilities	<u><u>5,368</u></u>	<u><u>4,961</u></u>
Stockholders' Deficit		
Common stock, par value \$0.0001 per share, 1,500,000,000 shares authorized at June 30, 2024 and December 31, 2023; 1,044,074,409 and 973,704,039 shares issued and outstanding at June 30, 2024 and December 31, 2023	104	97
Additional paid-in capital	26,945	25,359
Stock to be issued	51	1,458
Accumulated deficit	(31,009)	(29,507)
Accumulated other comprehensive income	142	118
Total stockholders' deficit	<u>(3,767)</u>	<u>(2,475)</u>
Total liabilities and stockholders' deficit	<u><u>1,601</u></u>	<u><u>2,486</u></u>

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

CITRINE GLOBAL, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(U.S. dollars in thousands, except share and per share data)

	Six months ended		Three months ended	
	June 30		June 30	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
Research and development expenses	-	(57)	-	(28)
Marketing, general and administrative expenses – related parties	(455)	(728)	(222)	(334)
Marketing, general and administrative expenses	(212)	(296)	(42)	(201)
Operating loss	(667)	(1,081)	(264)	(563)
Financing expenses, net:				
Expenses related to convertible loan terms – related parties	(34)	(429)	(24)	(100)
Fair value measurement of the IBOT options	(747)	-	(932)	-
Other financing expenses, net	(54)	(18)	(30)	(13)
Financing expenses, net	(835)	(447)	(986)	(113)
Net loss attributable to common stockholders	(1,502)	(1,528)	(1,250)	(676)
Loss per common stock (basic and diluted)	*	*	*	*
Basic weighted average number of shares of common stock outstanding	1,021,648,686	956,404,305	1,044,074,406	960,039,479
Comprehensive loss:				
Net loss	(1,502)	(1,528)	(1,250)	(676)
Other comprehensive income attributable to foreign currency translation	24	16	15	6
Comprehensive loss	(1,478)	(1,512)	(1,235)	(670)

*Represents an amount less than \$0.01 per common stock.

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

CITRINE GLOBAL, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(U.S. dollars in thousands, except share and per share data)

	<u>Common stock</u>		<u>Additional</u>	<u>Stock to</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Stock</u>	<u>Amount</u>	<u>paid-in</u>	<u>be</u>	<u>deficit</u>	<u>other</u>	<u>stockholders'</u>
			<u>capital</u>	<u>issued</u>		<u>comprehensive</u>	<u>deficit</u>
						<u>income</u>	
BALANCE AT DECEMBER 31, 2023	973,704,039	97	25,359	1,458	(29,507)	118	(2,475)
CHANGES DURING THE PERIOD OF							
THREE MONTHS ENDED MARCH 31,							
2024:							
Issuance of shares under share purchase agreement	70,370,370	7	1,400	(1,407)	-	-	-
Share based compensation to service providers							
Share based compensation	-	-	91	-	-	-	91
Other comprehensive income	-	-	-	-	-	9	9
Net loss for the period	-	-	-	-	(252)	-	(252)
BALANCE AT MARCH 31, 2024	1,044,074,409	104	26,850	51	(29,759)	127	(2,627)
(unaudited)							
Share based compensation	-	-	82	-	-	-	82
Convertible component in convertible notes classified as equity			13				13
Other comprehensive income	-	-	-	-	-	15	15
Net loss for the period	-	-	-	-	(1,250)	-	(1,250)
BALANCE AT JUNE 30, 2024	1,044,074,409	104	26,945	51	(31,009)	142	(3,767)
(unaudited)							

* Represents amount less than \$1 thousand

CITRINE GLOBAL, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(U.S. dollars in thousands, except share and per share data)

	<u>Common stock</u>		<u>Additional paid-in capital</u>	<u>Stock to be issued</u>	<u>Accumulated deficit</u>	<u>Accumulated other comprehensive income</u>	<u>Total stockholders' deficit</u>
	<u>Stock</u>	<u>Amount</u>					
BALANCE AT DECEMBER 31, 2022	943,703,873	94	23,248	474	(26,402)	115	(2,471)
CHANGES DURING THE PERIOD OF THREE MONTHS ENDED MARCH 31, 2023:							
Issuance of shares under share purchase agreement (note 4)	9,259,250	1	443	(444)	-	-	-
Issuance of shares for credit facility	3,232,016	*	123	-	-	-	123
Share based compensation to service providers	283,900	*	*	4	-	-	4
Warrants issued in connection with convertible notes	-	-	268	-	-	-	268
Share based compensation	-	-	269	-	-	-	269
Other comprehensive income	-	-	-	-	-	10	10
Net loss for the period	-	-	-	-	(852)	-	(852)
BALANCE AT MARCH 31, 2023 (unaudited)	956,479,039	95	24,351	34	(27,254)	125	(2,649)
Issuance of shares for services	9,000,000	1	332	-	-	-	333
Share based compensation to service providers	-	-	-	5	-	-	5
Share based compensation	-	-	209	-	-	-	209
Other comprehensive income	-	-	-	-	-	6	6
Net loss for the period	-	-	-	-	(676)	-	(676)
BALANCE AT JUNE 30, 2023 (unaudited)	965,479,039	96	24,892	39	(27,930)	131	(2,772)

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

CITRINE GLOBAL, CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands, except share and per share data)

	Six months ended June 30,	
	2024	2023
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(1,502)	(1,528)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	-	1
Finance expenses, net	1	2
Financial expenses with respect to convertible notes and loans – related parties	34	467
Share based payment	173	487
Fair value adjustment of option to purchase MyPlant shares	-	73
Fair value adjustment of option to purchase IBOT shares - (64)	747	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	134	33
Accounts payable and accrued expenses – related parties	455	728
Accounts payable and accrued expenses	(72)	(360)
Net cash used in operating activities	(30)	(97)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loan	50	-
Repayment of short-term loan	(24)	-
Proceeds under credit facility	-	51
Net cash provided by financing activities	26	51
Effect of exchange rates on cash and cash equivalents	(*)	(1)
Net decrease in cash and cash equivalents	(4)	(47)
CASH, CASH EQUIVALENTS AT BEGINNING OF PERIOD	7	77
CASH, CASH EQUIVALENTS AT END OF PERIOD	3	30
Supplemental disclosure of cash flow information:		
Non-cash transactions:		
Convertible component in convertible notes classified as equity	13	
Warrants issued in connection with convertible notes	-	(268)
Issuance of shares for credit facility	-	123
Extinguishment of convertible notes and loans	-	(83)
Issuance of shares for future services	-	222

*Represents amount less than \$1 thousand

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

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1 - GENERAL

Citrine Global, Corp. (“Citrine Global” or the “Company”) was incorporated under the laws of the State of Delaware on May 26, 2010. The Company’s common stock is traded in the United States on the OTC market under the ticker symbol “CTGL.”

On June 3, 2020 the Company established a wholly owned new Israeli subsidiary: CTGL – Citrine Global Israel Ltd, (the “Israeli Subsidiary”).

On August 20, 2020, the Israeli Subsidiary, Beezhome Technologies Ltd., a company owned and controlled by the Company’s Chief Executive Officer and Golden Holdings Neto Ltd., a company in which Ilan Ben-Ishay, a former director of the Company, holds shares, incorporated Cannovation Center Israel Ltd. (“Cannovation”). Israeli Subsidiary holds 60% of Cannovation’s shares, while each of Beezhome Technologies Ltd. and Golden Holdings Neto Ltd. holds 20% of its shares.

Financial support

On March 6, 2023 Cannovation and S.R. Accord Ltd., an Israeli company (“Lender”), entered into an 18-month credit facility agreement (the “Credit Facility”) pursuant to which Lender has committed to fund Cannovation in an aggregate amount of 3,000,000 NIS (approximately \$857,000), as needed. At the time of each draw down, Cannovation and Lender will determine the maturity date of the loan. All amounts drawn under the Credit Facility will bear interest at an monthly rate of 1.7%. Cannovation has the right to pre-pay the entire amount outstanding under the Credit Facility at any time. As security for any loans under the Credit Facility, Cannovation granted the Lender a first priority lien on its rights to the 125,000 sq ft (11,687 sq meters) of industrial land in Yerucham (see note 4(1) below). The lien will become effective only if Cannovation utilizes the Credit Facility. If the market value of the Premises is less than the amount outstanding under the Credit Facility, then Lender will be entitled to additional security including additional shares of Citrine Global common stock, on such terms and conditions as the parties may agree. As additional security for any payments due to Lender, Israeli Subsidiary, (ii) Beezhome and (iii) Netto Holdings, an unaffiliated entity under the partial control of Ilan Ben Ishay, a director on the board of Cannovation, as well as each of Ms. Elharar Soffer and Mr. Ben Ishay in their personal capacities, have provided guarantees for the repayment of any amounts that may be owing to Lender under the Credit Facility. Cannovation has agreed to indemnify Ms. Elharar Soffer and Mr. Ben Ishay for any losses they incur as a result of the guarantee.

As of the date of this report, Cannovation utilized NIS1,000,000 (\$280,000) of the credit line.

In August 2025, SR Accord extended the credit facility agreement with Cannovation Center Israel Ltd. (renamed SkyTech Orion Ltd.) until March 31, 2027. The facility is supported by guarantees of CTGL Citrine Global Israel Ltd. and Citrine Global Corp., as well as personal guarantees signed by Ora Elharar-Soffer, the Company’s CEO, and Lior Asher, a director of SkyTech Orion Ltd.

With respect to the personal guarantees of Ora Elharar-Soffer and Lior Asher, Cannovation Center Israel Ltd.(SkyTech Orion Ltd) CTGL Citrine Global Israel Ltd., and Citrine Global Corp. have confirmed, in line with prior Board resolutions, their undertaking to provide indemnification and comprehensive protections to the guarantors See also Note 6D below.

The Company has no significant firm commitments that require it to remit cash and can control the level of expenses it incurs. Based on the Company’s current cash balances, and the access to the Credit Facility noted above, the Company believes it will have sufficient funds for its plans for the next twelve months from the issuance of these financial statements. As the Company is embarking on its business plan, it is incurring losses. It cannot determine with reasonable certainty when and if it will have sustainable profits.

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Unaudited Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiary, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and with the instructions to Form 10-Q. In the opinion of management, the financial statements presented herein have not been audited by an independent registered public accounting firm but include all material adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the financial condition, results of operations and cash flows for the six and three months ended June 30, 2024. However, these results are not necessarily indicative of results for any other interim period or for the year ended December 31, 2024.

Certain information and footnote disclosures normally included in financial statements in accordance with generally accepted accounting principles have been omitted pursuant to the rules of the U.S. Securities and Exchange Commission ("SEC"). These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Significant estimates include fair value estimates of derivative liabilities and assets. Actual results could differ from those estimates.

Fair value

Fair value of certain of the Company's financial instruments including cash, accounts payable, accrued expenses, and other accrued liabilities approximate cost because of their short maturities. The Company measures and reports fair value in accordance with Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosure," which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements.

Fair value, as defined by ASC 820, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset should reflect its highest and best use by market participants, principal (or most advantageous) markets, and an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, the Company's credit risk.

Valuation techniques are generally classified into three categories: (i) the market approach; (ii) the income approach; and (iii) the cost approach. The selection and application of one or more of the techniques may require significant judgment and are primarily dependent upon the characteristics of the asset or liability, and the quality and availability of inputs. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also provides fair value hierarchy for inputs and resulting measurement as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF RESENTATION (cont.)

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3: Unobservable inputs for the asset or liability that are supported by little or no market activity, and that are significant to the fair values.

Fair value measurements are required to be disclosed by the level within the fair value hierarchy in which the fair value measurements in their entirety fall. Fair value measurements using significant unobservable inputs (in level 3 measurements) are subject to expanded disclosure requirements including a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following: (i) total gains or losses for the period (realized and unrealized), (ii) segregating those gains or losses included in earnings, and (iii) a description of where those gains or losses included in earning are reported in the statement of operations.

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF REPRESENTATION (cont.)

The Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy are as follows 185

	Balance as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	US\$ in thousands			
Assets:				
Option to Purchase IBOT shares	-	-	747	747
Total assets	-	-		
Liabilities:	-	-	40	40
Convertible component in convertible notes	-	-	40	40

The following table presents the changes in fair value of the level 3 assets and liabilities for the period ended June 30, 2024:

	Changes in Fair value US\$ in thousands
Assets:	
Outstanding at December 31, 2023	747
Changes in fair value	185
Expired	(932)
Outstanding at June 30, 2024	-
	Changes in Fair value US\$ in thousands
Liabilities:	
Outstanding at December 31, 2023	40
Convertible component in convertible notes classified as equity	13
Changes in fair value	(27)
Outstanding at June 30, 2024	-

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 3 – STOCK OPTIONS

On March 5, 2023, the Board of the Company determined that in the event that the Company's stock is listed on the Nasdaq Stock Market, then one half of the awarded but unvested option grants made in each of August 2021 and in August 2022, including to officers, directors, will immediately vest at such time. In addition, the Board also determined to provide that following the termination of services by an officer, director or a selected service provider for any reason other than cause, such person shall have a one year period from the date of termination to exercise any option that was vested at the time of the termination of services.

The following table presents the Company's stock option activity for employees and directors of the Company for the year ended June 30, 2024:

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding at December 31, 2023	122,529,342	0.026
Granted	-	-
Exercised	-	-
Forfeited or expired	(1,178,210)	-
Outstanding at June 30, 2024	121,351,132	0.026
Number of options exercisable at June 30, 2024	81,126,406	0.029

The stock options outstanding as of June 30, 2024, have been separated into exercise prices, as follows:

Exercise price	Stock options outstanding	Weighted average remaining contractual life – years	Stock options vested
\$		As of June 30, 2024	
0.0011	46,762	2.50	46,762
0.02	41,237,350	1.11	24,546,042
0.022	47,128,400	1.11	29,042,035
0.05	32,938,620	2.55	27,491,567
	121,351,320		81,126,406

Compensation expense recorded by the Company in respect of its stock-based compensation awards for the six and three months ended June 30, 2024 were \$173 thousand and \$82 thousand, respectively, and are included in General and Administrative expenses in the Statements of Operations.

As of June 30, 2024, there was \$159 of total unrecognized compensation cost related to non-vested options. The cost is expected to be recognized over a weighted average period of 1.25 years.

The aggregate intrinsic value of the awards outstanding as of June 30, 2024 is \$0. These amounts represent the total intrinsic value, based on the Company's stock price of \$0.0115 as of June 30, 2024, less the weighted exercise price.

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 4 – RELATED PARTIES

A. Transactions and balances with related parties

	Six months ended June 30		Three months ended June 30	
	2024	2023	2024	2023
	U.S. dollars (in thousands)			
Research and development expenses:				
Directors compensation and fees to officers	-	57	-	28
	-	57	-	28
General and administrative expenses:				
Directors compensation and fees to officers (*)	455	728	222	334
(*) Share based compensation	173	478	82	209
Financing expenses (income), net:				
Related to convertible loan terms	34	293	24	25

B. Balances with related parties:

	As of June 30, 2024	As of December 31, 2023
Current Liabilities:		
Accounts payable	204	180
Accrued compensation	2,175	1,898
	2,375	2,078
Non-current Liabilities:		
Convertible notes	2,260	2,202

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 5 –EVENTS DURING AND AFTER THE REPORTING PERIOD

- A. On February 9, 2024, the Company issued a Promissory Note (the “Note”) in favor of 1800 Diagonal Lending LLC, a Virginia limited liability company (the “Lender”), in the principal amount of \$63,250. The Company received \$50,000 in net proceeds from Lender due to the original issue discount on the Note. The Note bore a one-time interest charge of 15% per annum, payable with outstanding principal in nine (9) payments of \$8,081.89 for a total payback to the Lender of \$72,737.00. The Note was due in full on November 15, 2024. Any amount of the principal or interest on the Note which is not paid when due is subject to a default interest at the rate of twenty two percent (22%) per annum from the due date until the same is paid.

As of December 31, 2024, the Company repaid the entire outstanding amounts on the note.

- B. On August 2, 2024, the Company and X Group Fund of Funds Limited Partnership formed under the laws of Michigan (“X Group”) entered into a term sheet agreement-in-principle pursuant to which the X Group agreed to purchase, and Citrine Global agreed to sell, units of Citrine Global’s securities where each unit (each a “Unit”) is comprised of (i) one (1) share of common stock and (ii) a warrant, exercisable through the earlier of December 31, 2024 or such time as Citrine Global is cleared for listing on a U.S. National exchange, to purchase an additional one share of common stock at a per share exercise price of \$0.01. The warrant instrument will include a standard cashless exercise provision. The purchase price per Unit is \$0.01 for an aggregate purchase price of \$250,000 which is payable as follows: (i) \$100,000 by no later than August 31, 2024 and (ii) \$150,000 by no later than September 30, 2024. In consideration of \$250,000 Initial Investment, investor Group will be entitled to 25,000,000 shares of Citrine Global’s common stock.

As of the date hereof, the Company has received \$21,000 from the Group. As the X Group did not remit the agreed amount within the approved timeframes, the agreement lapsed.

- C. On February 22, 2024, Mr. Doron Birger resigned from his position as a director on the Board of the Company.
- D. On September 2024, the Company renewed its short term loan with S.R. Accord Ltd. in the amount of approximately NIS 660,000 (approximately \$176,000). As part of the renewal, Mr. Lior Asher signed as a personal guarantor, joining Ms. Ora Elharar Soffer as guarantor. In addition, the Company, its Israeli subsidiary CTGL – Citrine Global Israel Ltd., and Beezhome Technologies Ltd., a private company wholly owned by Ms. Ora Elharar Soffer, signed the agreement. While Netto Holdings Ltd. and Mr. Ilan Ben Ishay had originally undertaken to provide personal guarantees, they had not executed such guarantees as of that date. All collateral under the Credit Facility remained in place, including a first-priority lien over the Company’s rights and the 125,000 sq. ft. (11,687 sq. meters) industrial parcel in Yerucham, Israel, as well as additional collateral intended to secure repayment of the loan and to cover any damage, debt, or obligation arising from the Credit Facility. The Company, together with CTGL – Citrine Global Israel Ltd. and Cannovation Center Israel Ltd. (now SkyTech Orion Ltd.), undertook to fully indemnify both Ms. Elharar Soffer and Mr. Lior Asher for any liability, damage, or loss that may result from their personal guarantees. On March 31, 2025, the total amount of the short term loan was increased to NIS 1,000,000 (approximately \$280,000), with all guarantees and collateral remaining in place.

On August 2025, SR Accord extended the credit facility agreement with Cannovation Center Israel Ltd. (renamed SkyTech Orion Ltd.) until March 31, 2027. The facility is supported by guarantees of CTGL Citrine Global Israel Ltd. and Citrine Global Corp., as well as personal guarantees signed by Ora Elharar-Soffer, the Company’s CEO, and Lior Asher, a director of SkyTech Orion Ltd. With respect to the personal guarantees of Ora Elharar-Soffer and Lior Asher, Cannovation Center Israel Ltd.(SkyTech Orion Ltd) CTGL Citrine Global Israel Ltd., and Citrine Global Corp. have confirmed, in line with prior Board resolutions, their undertaking to provide indemnification and comprehensive protections to the guarantors.

- E. On September 15, 2024, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of subsidiary CTGL Citrine Global Israel Ltd.

On October 1, 2024, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of the company subsidiary Cannovation Center Israel Ltd.

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 5 –EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

F. During 2024 and early 2025, the Company and its subsidiaries entered into a series of consulting and investment agreements with Mr. Lior Asher, acting personally and through Deer Light Ltd. The agreements are summarized below:

- On September 1, 2024, Deer Light Ltd entered into consulting agreements with the Company and its subsidiaries. Under these agreements, Deer Light Ltd is engaged to provide strategic planning, business development, innovation scouting, funding facilitation, and project management services. The total monthly retainer fees under these agreements amount to USD 11,000 (plus VAT), as detailed below:
 - \$2,500 per month from the Company.
 - \$3,500 per month from CTGL Citrine Global Israel Ltd.
 - \$5,000 per month from Cannovation Center Israel Ltd.

However, all payments under these agreements are deferred until the earlier of: (i) the listing of Citrine Global Corp on a recognized U.S. stock exchange; (ii) successful fundraising of at least USD2.5 million from external sources; or (iii) the Company achieving positive operational cash flow, confirmed by the board of directors (“Payment Event”).

In addition to cash compensation, the Company may award equity-based compensation under future equity incentive plans, subject to board approval. One such equity grant will approve by company, granting options to purchase 41,762,976 common shares, with a two-year vesting schedule and 50% acceleration upon uplisting. As of this report, the options not issued yet.

- On January 7, 2025, Deer Light Ltd signed an investment agreement with Citrine Global Corp, under which it committed to invest USD 137,000 in exchange for 13.7 million common shares and warrants to purchase an additional 13.7 million shares at an exercise price of \$0.01 per share. The warrants are exercisable by December 31, 2025, or upon uplisting to a national stock exchange, whichever comes first. The investment is to be completed no later than March 15, 2025, and may be partially executed through direct supplier payments. The investment is to be completed no later than March 15, 2025, and may be partially executed through direct supplier payments. The investment is to be completed no later than March 15, 2025, and may be partially executed through direct supplier payments.

G. Government Grant to Cannovation

As previously disclosed, Cannovation, holds development rights to 11,687 square meters of industrial parcel of land in Yerucham, Israel (the “Land”) to build the Cannovation Center, at a subsidized price and exempt from a tender procedure typically required under Israeli law, to include factories, laboratories, logistics and a distribution center for the botanical industry.

On January 12, 2025, Cannovation Center Israel Ltd, the Israeli subsidiary of CTGL Citrine Global., received official notification from the Israeli Ministry of Economy and Industry that it had been awarded a government grant in the amount of NIS 12.5 million (approximately USD 3.4 million). The grant, in the amount of NIS 12.5 million (approximately USD 3.4 million), is structured as reimbursements of approximately 37.5% of the Company’s eligible expenses, including construction, equipment, services, and other costs submitted in connection with the establishment of the SkyTech Innovation and Production Center. The grant was awarded as part of a national strategic program supporting the defense sector. The funds are designated for the establishment of the SkyTech Innovation and Production Center in the city of Yerucham, Israel, on land that had previously been allocated to the subsidiary by the State of Israel as part of a prior grant for the construction of an Operational Innovation Center. This new grant is in addition to the prior allocation and supports the construction of approximately 5,000 square meters of facilities on the 11.7-dunam (about 2.89 acres) plot. The Center will include assembly lines, R&D laboratories, testing facilities, and an advanced production system focused on developing and manufacturing defense-grade UAV and drone solutions.

On May 13, 2025, the Israeli subsidiary Cannovation Center Israel Ltd. changed its name to **SkyTech Orion Ltd.**

CITRINE GLOBAL, CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 5 –EVENTS DURING AND AFTER THE REPORTING PERIOD (cont.)

- H. Further to Note 3C to the financial statements as of December 31, 2023, on April 22, 2025, the Company issued 70,370,370 shares to IBOT.
- I. On December 31, 2024, the Company completed the conversion of outstanding convertible loan principal amounts totaling \$1,764,106 into equity, pursuant to previously executed agreements with Citrine LP 7, LP 8, and LP 9. The aggregate principal was converted into 176,010,600 shares of common stock at a conversion price of \$0.01 per share, and an equal number of warrants to purchase common stock were issued under the same terms.
- Further to Note 6K to the financial statements as of December 31, 2023, the conversion price was amended to \$0.01, in accordance with the terms of the investment in note 5F above.
- In addition, the Company issued warrants to purchase 176,010,600 shares of common stock under the same terms, exercisable at an exercise price of \$0.01 per share and exercisable until the earlier of December 31, 2025, or the Company's listing on a U.S. national stock exchange.
- J. On June 26, 2025, Citrine Global Corp. changed its name to SkyTech Global Corp. in Delaware, reflecting its strategic focus on UAV and drone solutions.
- K. On January 23, 2025, a shareholders' meeting of Cannovation Center Ltd. was held with the participation of all shareholders: CTGL Citrine Global Israel Ltd., holding 60% (a subsidiary of Citrine Global Corp.), Beezhome Technologies Ltd. (owned by Ms. Ora Elharar Soffer, the Company's CEO), holding 20%, and Golden Holdings Finance, holding 20%. All shareholders were given the opportunity to support the Company, including by providing personal guarantees for existing loans as well as for obligations under the government grant. CTGL Citrine Global Israel Ltd. expressed its support, and Beezhome Technologies Ltd., through its owner and the Company's CEO, Ms. Ora Elharar Soffer, personally signed guarantees in connection with the existing loans and the government grant commitments, thereby providing the direct backing required to advance the Company's activities.
- On May 29, 2025, after the period granted to Golden Holdings Finance had passed, and since it did not provide any support or personal guarantees, the Company executed the resolution. Pursuant to this resolution, new shares were allocated to CTGL Citrine Global Israel Ltd., increasing its holdings to 69.5%, and to Beezhome Technologies Ltd., increasing its holdings to 29.5%. As a result, the holdings of Golden Holdings Finance in Cannovation were diluted to approximately 1%.
- L. On April 8, 2025, in accordance with the grant requirements, a digital bank guarantee in the amount of NIS 625,000 (approximately USD 187,000) was issued by Bank Mizrahi. The guarantee is backed by an unlimited personal guarantee from Ms. Ora Elharar Soffer and a limited personal guarantee from Mr. Meir Aharon, who, through his consulting and construction company, has been engaged to build the SkyTech Center in Yerucham.
- M. The Company became a delinquent filer during Q2 due to delays in the required public filings. As a result, trading in the Company's shares was restricted, and there is currently no active market for the Company's securities. Due to the lack of an active market, the Company determined that the shares underlying the conversion option in its notes are no longer readily convertible to cash. Therefore, the embedded conversion features no longer meets the definition of a derivative per ASC 815 and were classified as equity.
- O. On June 3, 2025, Nanomedic Technologies Ltd. ("Nanomedic") notified that it had completed a financing round of approximately \$3,000,000. Based on this financing round the Company recorded an impairment loss of approximately \$431,000 during the period. Following the impairment, the carrying amount of the investment as of June, 30, 2025 is approximately \$18,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws, and is subject to the safe-harbor created by such Act and laws. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms, or other variations thereon or comparable terminology. The statements herein and their implications are merely predictions and therefore inherently subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance levels of activity, or our achievements, or industry results to be materially different from those contemplated by the forward-looking statements. Except as required by law, we undertake no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Further information on potential factors that could affect our business is described under the heading “Risk Factors” in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission, or the SEC, on TH, 2025. Readers are also urged to carefully review and consider the various disclosures we have made in that report. As used in this quarterly report, the terms “we”, “us”, “our”, the “Company” and “Citrine” mean Citrine Global, Corp. and our wholly-owned subsidiary CTGL -Citrine Global Israel Ltd. unless otherwise indicated or as otherwise required by the context.

Overview

Management Update and Business Review

The Company's entire executive leadership, strategic management, and core operations are based in Israel, operating through its wholly owned subsidiary CTGL Citrine Global Israel Ltd. and its majority-owned subsidiary Cannovation Center Israel Ltd.

On October 7, 2023, a large-scale war broke out in Israel, resulting in a sustained period of national crisis. The war caused widespread uncertainty and instability in the country, disrupted the Israeli economy, and affected the Company's operations. During the first quarter of 2024, the Company continues to experience significant disruptions as a result of this ongoing conflict. The Company has focused on carefully monitoring the situation, reviewing its financial position, and evaluating the status of its assets and holdings in light of the challenging environment.

Management is actively assessing the potential impacts of the war on the Company's operations, investments, and liquidity. This includes analyzing risks to ongoing activities, ensuring the stability of existing assets, and preparing for different scenarios that may arise depending on the duration and intensity of the conflict. The Company has also pursued planned business initiatives, including efforts to expand international sales channels with a particular focus on the U.S. market, although execution has been impacted by the challenging environment.

The Company holds the following equity interests and real property assets:

➤ **Equity Interest – 100% in CTGL Citrine Global Israel Ltd.**

The Company holds 100% of the equity in CTGL Citrine Global Israel Ltd.

➤ **Equity Interest – 60% in Cannovation Center Israel Ltd. (subsequently renamed SkyTech Orion Ltd.)**

Through its wholly owned subsidiary, CTGL Citrine Global Israel Ltd., the Company holds a 60% equity interest in Cannovation Center Israel Ltd. (now operating as SkyTech Orion Ltd.).

➤ **Real Property Asset – Land in Yerucham, Israel (11,687 sqm / 125,000 sq. ft.)**

In February 2022, Cannovation Center Israel Ltd. acquired approximately 11,687 square meters of industrial land in Yerucham, southern Israel, under a Development Agreement with the Israel Lands Authority (“ILA”). The agreement requires development within four years (with possible extensions subject to ILA approval). Upon completion, the Company will be granted a 49-year renewable lease, considered equivalent to ownership rights under Israeli public land law. The property is designated for the establishment of an Operational Innovation Center.

➤ **Equity Interest – 19% in iBOT Israel Botanicals Ltd.**

The Company holds a 19% equity interest in iBOT, a GMP-certified facility approved by the Israeli Ministry of Health, focused on nutritional supplements and wellness products.

➤ **Equity Interest – 10% in MyPlant Bio Ltd.**

The Company holds a 10% equity interest in MyPlant Bio Ltd., a company specializing in botanical science and plant-based innovation.

➤ **Operational Innovation Centers' Platform**

The Company has a proprietary Operational Innovation Centers Platform. This modular and scalable infrastructure model supports the Company's business growth by enabling the delivery of end-to-end solutions across its areas of activity, including product development, production, and commercialization. The platform is operated through the Company's Israeli subsidiary, , with the goal of establishing specialized innovation centres that support both internal operations and external strategic collaborations.

Each innovation center functions as an integrated operational ecosystem offering a wide range of core capabilities, including:

- Research and development laboratories
- Manufacturing and product formulation infrastructure
- Quality assurance and testing
- Import/export and logistics support
- Distribution and go-to-market operations
- Services for both the Company's proprietary product lines and third-party clients

The platform is a high-tech and biotech operational infrastructure, targeting key sectors that require advanced production facilities, innovation, and growth-oriented ecosystems, and represents a unique business model designed to realize its full potential and support global growth and expansion.

➤ Other Assets

The Company may also hold additional assets and equity interests reflected in its consolidated financial statements, including intangible assets such as intellectual property, goodwill, and proprietary technologies, as well as products developed for commercialization.

Business Overview

We are a plant-based wellness & pharma solutions company with a vision of becoming a leading company in these fields and improving people's health and quality of life worldwide. Our mission is to leverage the power of plant-based solutions from nature to help improve people's health and quality of life.

The global health and wellness market is expected to reach USD 7.6 trillion by 2030, growing at a CAGR of 5.5% from 2021 to 2030 ¹with growing awareness of health and wellness solutions for improving people's quality of life².

We believe the power of plant-based solutions from nature can help improve people's health and quality of life. Our business activity is primarily composed of developing wellness and pharma solutions, focused on science backed plant-based products to improve quality of life and complementary solutions for balancing side effects caused by using medicines, treatments, or an unbalanced lifestyle.

We have built an end-to-end strategy to bring to market on a global scale innovative plant-based wellness and pharma solutions covering the whole spectrum from innovation, research and development, product development, infrastructure for production and manufacturing, distribution, marketing and sales.

Leveraging technology and research, we are focused on developing a products portfolio based on rigorous scientific research ranging from synergistic botanicals, herbal extract, tinctures, medicinal mushrooms together with plant extracts, vitamins, minerals, botanical formulations from seeds, roots, bark, fruits, and a wide variety of plants that contain substances with health-supportive effects. Such supportive effects include, but are not limited to, enhancing oral care, anti-inflammatory properties, relaxation, sleep enhancement, energizing, mood and body balancing, alleviating side effects, and more.

We have formulations that include wellness plant-based products and nutritional supplements for improving quality of life and complementary products for balancing selected side effects caused by medicines, treatments, or an unbalanced lifestyle. The products arrive in multiple form factors, such as sprays, powders, tablets, capsules, and tinctures.

¹ Research, P., 2022. Health and Wellness Market Size to Hit USD 7,656.7 Bn by 2030. [online] GlobeNewswire Newsroom.

² NielsenIQ. 2022. An inside look into the 2021 global consumer health and wellness revolution. [online]

The product lines include the following categories:

1. The Oral Cavity Care Family Line

The Oral Cavity Care Family Line includes the SmokLy™ and DryLess™ series of sprays for the oral cavity targeting to balance the dry mouth side effect (xerostomia) that may result from using medicines, smoking or treatments.

Oral Cavity Dry-Mouth -Side-Effect

Research shows that the overall estimated prevalence of dry mouth is over one in four people in the general population with higher prevalence rates observed in studies conducted with elderly people demonstrating that oral cavity-related symptoms are linked to different factors, such as using medicines, treatments, aging, an unbalanced or unhealthy lifestyle, various chronic diseases, psychological reasons, stress, and more³.

It is important to maintain the saliva level in the mouth to prevent problems and damage, as saliva plays a key role in maintaining health in the oral cavity. Saliva contains calcium and phosphorous which protects teeth, helps the digestive system, prevents bad smell through balancing the acidity that comes from food and bacteria, has enzymes that help break down food, washes food scraps and bacteria, and helps speech as pronunciation of movements and syllables is done with saliva and tongue.

The Dry Mouth Treatment Market is expected to reach \$1.81 billion by 2032⁴.

2. The Medicinal Mushrooms Family Line:

The Medicinal Mushrooms Family Line is based on researched medicinal mushrooms that have been used for thousands of years in traditional medicine and have been proven to be efficient for various medicinal uses. Medicinal Mushrooms were found to have a wide potential in the treatment and prevention of diseases, including protection of the heart, antioxidant activity, balancing and strengthening the immune and digestive systems, lowering cholesterol and balancing blood sugar. Furthermore, it has been shown to protect other important organs such as the liver, with anti-cancer activity.

The Medicinal Mushrooms Family Line includes synergistic combinations of research-based medicinal mushrooms and herbs composed in an herbalist method and made of purely natural ingredients.

The products contain dry form, concentrated powders and extracts of mushrooms and herbals researched and found to benefit headaches, changes in blood pressure, anxiety, fatigue, and sleep disorders. We are harnessing the power of medicinal mushrooms to restore nutritional balance and strengthen the immune system and other body systems.

3. The Booster (Energy & Sports) Family Line

The Booster Family Line contains unique research-based ingredients and herbal extracts with a high concentration of antioxidants composed in an herbalist method. The Booster Family Line products create a synergistic combination of researched plants and natural ingredients that have been shown to have health supportive anti-inflammatory properties, which strengthen the immune system and contribute to an improved overall feeling. Imbalance in the body, resulting from poor diet and unhealthy lifestyle, chronic diseases, weakness of the immune system, and side effects of medicines and treatments may lead to recurrent infections, chronic coughing, weakness, and gastrointestinal disorders. The Booster Family Line includes herbal syrups that are suitable for morning drinking preventively and target to support daily overload as energy and booster products. The Product Line for Sports & Energy contains research-based herbal formulas including powders and extracts of researched plants that have been demonstrated to have effects of enhancing exercise and athletic performance and include ingredients that improve strength or endurance, increase exercise efficiency, achieve a performance goal more quickly, and increase tolerance for more intense training. These products can be used to prepare the body for exercise, reduce the chance of injury during training, and enhance recovery from exercise. The products come in a variety of forms, including tablets, capsules, liquids, powders, and bars.

³ American Dental Association (ADA) Science & Research Institute, LLC Oral Health Topic: Xerostomia, Department of Scientific Information, Evidence Synthesis & Translation Research. Feb 2021

⁴ Dry Mouth Treatment Market Outlook (2022-2032), Persistence Market Research, 2021

4. The Balance & Calm Family Line

The Balance & Calm Family Line contains research-based herbal formulas composed in an herbalist method including powders and extracts of researched plants that have been demonstrated to have health supporting effects of calming the digestive system, reducing anxiety and fatigue, and improving sleep quality.

The Balance & Calm Family Line serves as support for the digestive system, balancing and strengthening the body, calming and improving sleep quality. Modern lifestyles that include many tasks and heavy stress, with a non-optimal diet, can lead to fatigue, restlessness, pain, and a particularly sensitive digestive system. All of these can also be side effects of taking various medications and having an unbalanced lifestyle. Continuous stress releases toxic substances in the body, which over time can cause significant health problems. Studies showed that reducing stress improves sleep quality through affecting the nervous system. The Balance & Calm Family Line targets to restore and maintain emotional and body balance and calm the digestive and other systems of the body.

5. The Personal Protection & Health Supportive Family Line:

The Personal Protection & Health Supportive Family Line contains research-based balanced combinations of plants, vitamins and minerals composed in an herbalist method, which together form a shell that supports the proper functioning of many body systems, giving an incentive to the immune system and preventing contagion with viruses and bacteria. In the current reality of pandemics and the widespread use of medicines and treatments we believe it is important to balance and nurture different body systems and to strengthen the immune system.

6. The Digestion & Weight Management Family Line

The Product Line for Digestions & Weight Management contains research-based herbal formulas including powders and extracts of researched plants that have been demonstrated to have effects on the digestive system, metabolism and appetite and include ingredients that improve weight management and include ingredients with thermogenic, lipotropic, satiety, and other metabolic effects demonstrating improved markers of metabolic health, such as glucose, lipids, and blood pressure. These products can be used to support various digestive system health conditions and limited calory diet intake without suffering from nutritional deficiencies, successful weight management, which includes not only weight loss but also weight loss maintenance (i.e., limiting weight regain); control of appetite, and more.

7. The Vitamins & Minerals Family Line

Vitamins and minerals are essential organic compounds that are required in order to maintain good health and overcome various infections and retain a good health condition. They are involved in a variety of metabolic processes and many physiological systems and functions in the body.

The Vitamins & Minerals Product Line is based on researched substances that have been proven to be efficient for various medicinal uses. They contain research-based balanced combinations of vitamins and minerals composed in an herbalist method, which support the proper functioning of many body systems, and specifically the immune system to prevent contagion with viruses and bacteria, support a healthy digestive system, cognitive functions, and more.

About Our Operational Innovation Centers' Platform

One of the Company's most significant strategic assets is its government-supported industrial land located in Yerucham, Israel, held through its subsidiary, Cannovation Center Israel Ltd.

The property covers approximately 11,687 square meters (125,000 square feet) and was secured as part of Israel's national industrial development initiative. Approximately 90% of the acquisition cost was subsidized by government programs aimed at promoting regional development and technological advancement. The site is designated for the establishment of an Operational Innovation Center in the city of Yerucham.

In line with the Company's infrastructure and scalability strategy, a key land asset in Yerucham, Israel, was designated for the development of a proprietary Operational Innovation Center Platform.

This modular and scalable infrastructure model was intended to support the Company's business growth by enabling the delivery of end-to-end solutions across its areas of activity, including product development, production, and commercialization.

The platform was initiated and developed under the leadership of the Company's Israeli subsidiary, Cannovation Center Israel Ltd., with the goal of establishing specialized innovation centers to support both internal operations and external strategic collaborations.

Each innovation center was envisioned as an integrated operational ecosystem offering a wide range of core capabilities, including:

- Research and development laboratories
- Manufacturing and product formulation infrastructure
- Quality assurance and testing
- Import/export and logistics support
- Distribution and go-to-market operations
- Services for both the Company's proprietary product lines and third-party client

As part of our strategic focus on the botanical wellness and pharma sector, we plan to establish Green Vision Center as the first Operational Innovation Center within our platform.

The center is planned to be built in Yerucham, Israel, and will serve as a dedicated hub for the development, manufacturing, and global commercialization of plant-based wellness and pharma products.

We have secured a government-supported land grant for approximately 11,687 square meters (about 125,000 square feet) of industrial land in Yerucham, a city in southern Israel, with about 90% of the acquisition cost subsidized through Israel national programs that promote industrial development.

However, following the outbreak of the war in Israel on October 7, 2023, and the resulting impact on the overall business environment, the strategic focus of the platform entered a period of uncertainty. Management initiated a review of the Company's industrial land asset in Yerucham and began assessing its potential utilization and suitability under the new circumstances, taking into account the heightened uncertainty affecting Israel's economic and operational landscape.

Strategic Alliance and Equity Interest in iBOT Israel Botanicals Ltd.

The Company has a strategic alliance and manufacturing agreement with iBOT Israel Botanicals Ltd., an affiliated company and a GMP-certified manufacturing facility approved by the Israeli Ministry of Health. Under this alliance, iBOT supports the development and manufacturing of the Company's nutritional supplement product lines.

On December 31, 2023, the Company acquired a 19% equity stake in iBOT on a fully diluted basis, in exchange for 70,370,370 shares of the Company's common stock, issued at a price of \$0.027 per share, reflecting a \$10 million valuation based on an independent third-party valuation report.

As part of the agreement, the Company received an option to increase its holdings to 51% by June 30, 2024, through additional consideration in shares (at the same share price) and cash to support iBOT's 24-month operating budget.

In June 2024, following the outbreak of war in Israel and the resulting economic uncertainty and shift in strategic priorities, the Company's Board of Directors resolved not to exercise the option. The option has since expired, and the Company retains its current 19% equity interest in iBOT.

Alliance and Equity Interest in MyPlant Bio Ltd.

A botanical drug discovery company utilizing advanced plant-screening technologies. The Company holds a 10% equity stake in MyPlant Bio, which specializes in identifying therapeutic properties in plant extracts using disease-specific cell models.

IP Strategy and R&D Roadmap

Our IP strategy and R&D roadmap include developing plant-based wellness and pharma solutions, building our patent portfolio, conducting clinical trials, advancing products through regulatory approvals, and bringing innovative products to market.

Creating a Global Network & Growth Strategy

We position our product lines to capture market share in the nutritional supplements market that is expected to reach \$625 billion by 2030⁵.

A core part of our strategy includes building a worldwide network with local teams, partners, subsidiaries, Green Vision Centers, strategic partnerships, collaborations, and mergers & acquisitions of technology and distribution companies.

Initially, we are planning to build infrastructure for business development and sales with local teams in North America and Europe.

Our strategy includes various business models that are intended to bring new products to market leveraging, and thereby, maximizing the company's value, building the company's intellectual property and growth strategy that includes mergers & acquisitions of technology and distribution companies.

The wellness products are sold through different distribution channels which include online digital direct sales, online retailer websites, physical shops and retailers including food, drug, and mass merchandise retail networks. We are currently focused on building a B2B distribution network worldwide with select local partners who will be handling import, distribution, marketing, and sales while adhering with local regulations.

As part of its initial go-to-market strategy, the Company began beta-testing select products in the Israeli market, with strategic plans for global commercialization focused on the U.S. market. This included preparation for a multi-channel distribution model, encompassing local teams, distributors, e-commerce platforms, physical retail partnerships, and collaborations with global partners.

The Global Nutritional Supplements Market

The global nutritional supplements market is expected to reach USD 624.7 billion by 2030 and is expanding growth at a CAGR of 7.1% over the forecast period 2021 to 2030 with plant-based supplements containing natural ingredients and extracts of plants and mushrooms that have a beneficial biological effect⁶. The global superfoods market is expected to reach USD 214.95 billion by 2027 with superfoods being foods that have a very high nutritional density. This means they provide a substantial amount of nutrients and very few calories. They contain a high volume of minerals, vitamins, and antioxidants.

Growth in the nutritional supplements' market is driven by growing awareness of health and safety in the traditional pharma, food, and beverage industries as well as higher healthcare costs. Authentic consumption has become a major food and beverage trend as consumers increasingly seek natural ingredients. Products such as ginseng, echinacea, ginkgo biloba, and garlic, the top selling botanical products are considered natural remedies for inflammation and infections. This is also driving growth of vitamins and minerals and moving towards natural colorant-based plant juice products, since they provide better and long-lasting protection from viruses and bacteria. In addition, botanicals and nutritional supplements are widely used by people who suffer from diseases related to weight management, clinical nutrition, digestive health (gut health problems), immunity, diabetes, and cardio fitness, either as treatment or prevention⁷.

Regulatory Environment

In every jurisdiction in which we plan to operate, we will be subject to extensive governmental regulations on the formulation, manufacturing, packaging, labeling, advertising, promoting, importing, distributing, shipping, and selling our products, may they be nutritional supplements, cosmetics, foods, or any other category.

Prior to commencing operations and/or permitting sales of our products in the market, we may be required to obtain an approval, license, or certification from the relevant country's ministry of health or another responsible agency. Prior to entering a new market, we plan to work with local authorities, either directly or via our local partner, to obtain the requisite approvals. The approval process usually requires us to present each product and product ingredients and, in some cases, arrange for testing of products by local technicians for ingredient analysis.

We or our local partners would need to obtain various regulatory approvals and licenses for our different product lines and activities, including production of botanicals, nutritional supplements, natural snacks and beverages, and natural cosmetics. We intend to obtain all regulatory approvals required for different product categories in the different countries in which we will operate either directly or through our local partners.

We describe in this section primarily the material regulations that are currently applicable to our products.

⁵ Research, P., 2022. Nutritional Supplements Market to Hit US\$ 624.7 Billion by 2030. [online] GlobeNewswire

⁶ Research, P., 2022. Nutritional Supplements Market to Hit US\$ 624.7 Billion by 2030. [online] GlobeNewswire

⁷ PwC "Vitamins and Dietary Supplements Market Overview Report, <https://www.pwc.com/it/it/publications/assets/docs/Vitamins-Dietary-Supplements-Market-Overview.pdf>

Regulatory Environment for Our Products

While the number of people using nutritional supplements and herbal medicine products continues to increase in many countries, the regulations for these products vary by territory. In some countries supplement use is limited to general health and well-being while in other countries they are permitted for use as medicinal products. To date, there is little consensus from country to country on the scope, requirements, definition, or even the terminology in which the nutritional supplement and herbal medicines categories could be classified⁸.

Our products are regulated in Israel as nutritional supplements and meet all regulatory compliance requirements for nutritional supplements in Israel. iBOT Israel Botanicals, our manufacturing facility for our products, is approved by the Israeli Ministry of Health and is GMP-certified.

Good Manufacturing Practice (GMP) is a system for ensuring that products are consistently produced and controlled according to quality standards. GMP covers all aspects of production from the starting materials, premises, and equipment to the training and personal hygiene of staff. Detailed written procedures are essential for each process that could affect the quality of the finished product. There must be systems to provide documented proof that correct procedures are consistently followed at each step in the manufacturing process - every time a product is made⁹. The National Food Service (NFS) is the regulatory body at the Israeli Ministry of Health, that is responsible for food and nutritional supplements approval. The NFS strictly examines the safety and quality of each nutritional supplement product that is about to be registered and marketed in Israel¹⁰.

The Israeli Ministry of Health maintains a comprehensive list of authorized nutritional supplements for marketing. This list includes over a thousand different vitamins, minerals, amino acids, and herbs including their extracts. Items under this list can be legally marketed, however, no medical claims can be made without adequate supporting information. The final products can be in various forms such as powders, tablets, hard or soft capsules, liquids, including oils and tinctures. Each product must be manufactured under GMP conditions and be approved by the Ministry of Health prior to selling.

As mentioned, we planned to launch the products in the US and other territories after obtaining all relevant regulatory approvals. However, the current war in Gaza has significantly affected the Israeli economy, which has directly impacted our ability to launch our products in the US currently. We shall revise and disclose our business plans in the future given the local situation on the ground.

Regulatory Compliance for Cannovation Center Israel

We acquired 125,000 sq ft (11,687 sqm), or approximately three acres, of industrial land in the south of Israel upon which a 65,000 sq. ft. (~5,800 sqm) facility will be built composed of manufacturing plants, laboratories, logistics, import and export, offices, training, conference center, and an international visitor complex. The center will be constructed by a real estate professional project construction company and regulatory consultants in the relevant fields are now being vetted for the required authorizations.

Properties

The address of our primary executive office is 5 Golden Beach, Caesarea Israel zip 3088900. Our website address is www.citrine-global.com.

Through our subsidiary Cannovation Israel Center, in February of 2022, we completed the acquisition of 125,000 sq ft (11,687 sq meters), or approximately three acres, of industrial land in Yerucham, a city in southern Israel, to build the Green Vision Center Israel with Israeli government's support. Under the Development Agreement entered into with the Israel Lands Authority ("ILA"), Cannovation Ltd. will build and develop the Green Vision Center in accordance with by the time frames, terms and conditions of the agreement. Typically, the initial time frame for completing the development is four (4) years, subject to extensions that the ILA may approve. Upon completion of the development within the time frames and other requirements specified in the Development Agreement, then Cannovation Ltd. will be entitled subject to Israeli law to long term lease agreement (49 years) to the land (equivalent to ownership rights as most of the land in Israel is government owned and when marketed usually the developers are granted with development/long lease rights). Our subsidiary, Cannovation Ltd., holds title to the land under the Development Agreement. As part of our strategic focus on the botanical wellness and pharma sector, we plan to establish an Operational Production and Innovation Center dedicated to the development, manufacturing, and commercialization of plant-based wellness and pharma products.

In addition, Cannovation is expected to benefit from 30% reimbursement of building and equipment costs from the Israeli Ministry of Economy and reduced corporate tax rates under Israel's industrial development incentive program for the southern region.

⁸ Thakkar, S., Anklam, E., Xu, A., Ulberth, F., Li, J., Li, B., Hugas, M., Sarma, N., Crerar, S., Swift, S., Hakamatsuka, T., Curtui, V., Yan, W., Geng, X., Slikker, W. and Tong, W., 2020. Regulatory landscape of dietary supplements and herbal medicines from a global perspective. *Regulatory Toxicology and Pharmacology*, 114, p.104647

⁹ ISPE organization, Regulatory-Resources - GMP

¹⁰ Israeli Ministry of Health, National Food Services Department Website (NFS)

Significant Events

On February 9, 2024, the Company issued a promissory note in favor of 1800 Diagonal Lending LLC, a Virginia limited liability company (the “Lender”), in the principal amount of \$63,250. The Company received \$50,000 in net proceeds from Lender due to the original issue discount on the Note. The Note bore a one-time interest charge of 15% per annum, payable with outstanding principal in nine (9) payments of \$8,081.89 for a total payback to the Lender of \$72,737.00. The Note was due in full on November 15, 2024. Any amount of principal or interest on the Note which is not paid when due is subject to a default interest at the rate of twenty-two percent (22%) per annum from the due date until the same is paid. As of December 31, 2024, the Company repaid the entire outstanding amounts on the note.

On February 22, 2024, Mr. Doron Birger resigned from his position as a director on the Board of the Company.

Subsequent Events

On August 2, 2024, the Company and X Group Fund of Funds Limited Partnership formed under the laws of Michigan (“X Group”) entered into a term sheet agreement-in-principle pursuant to which the X Group agreed to purchase, and Citrine Global agreed to sell, units of Citrine Global’s securities where each unit (each a “Unit”) is comprised of (i) one (1) share of common stock and (ii) a warrant, exercisable through the earlier of December 31, 2024 or such time as Citrine Global is cleared for listing on a U.S. National exchange, to purchase an additional one share of common stock at a per share exercise price of \$0.01. The purchase price per Unit is \$0.01 for an aggregate purchase price of \$250,000 which was to be paid as follows: (i) \$100,000 by no later than August 31, 2024 and (ii) \$150,000 by no later than September 30, 2024. In consideration of \$250,000 Initial Investment, investor Group will be entitled to 25,000,000 shares of Citrine Global’s common stock. As of the date hereof, the Company has received \$21,000 from the Group. As the X Group did not remit the agreed amount within the approved timeframes, the agreement lapsed.

On September 15, 2024, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of subsidiary CTGL Citrine Global Israel Ltd. On October 1, 2024, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of subsidiary Cannovation Center Israel Ltd.

On November 2024, the Company’s subsidiary, Cannovation Center Israel Ltd. (“Cannovation”), filed a debt claim in the insolvency proceedings of Golden Holdings Neto Ltd. (“Golden Holdings”). At the relevant time, Golden Holdings held approximately 20% of Cannovation’s shares.

Pursuant to agreements between the parties and as a shareholder, Golden Holdings had committed to support Cannovation, including by signing guarantees on behalf of the company and its controlling shareholder, Mr. Ilan Ben Ishay, and by providing financial assistance. Upon Golden Holdings entering insolvency proceedings, such support ceased.

Accordingly, Cannovation filed an official debt claim with the trustee of Golden Holdings in the amount of NIS 1,512,983 (approximately USD 420,000), for amounts it claims are due to it under prior agreements and commitments. The claim was submitted as part of the proceedings before the Haifa District Court and is currently under review by the relevant authorities.

During a meeting of Cannovation's board of directors, it was explained that additional shareholder support was required, including signing guarantees for a loan from S.R. Accord as well as a guaranteed letter for a deposit related to a government grant received by Cannovation for the SkyTech project, in addition to other company commitments. The board resolved to request that all Cannovation shareholders support the company, including by signing corporate and personal guarantees.

To that end, a mechanism was established whereby shareholders who provided such support, including signing personal guarantees, would be entitled to receive additional share allocations, whereas shareholders who did not provide such support would not receive any new share allocations.

In January 2025, during a shareholders' meeting, Cannovation addressed all shareholders, including Golden Holdings, requesting such support and the signing of personal guarantees. As Golden Holdings did not provide such commitments, new shares were allocated to the existing shareholders CTGL Citrine Global Israel Ltd., a subsidiary of Citrine Global Corp., and Beezhome Technologies Ltd., resulting in Golden Holdings' ownership in Cannovation being reduced to approximately 1%.

On September 1, 2024, Lior Asher and or Deer Light Ltd entered into consulting agreements with the Company and its subsidiaries. On September 1, 2024, Deer Light Ltd entered into consulting agreements with the Company and its subsidiaries. Under these agreements, Deer Light Ltd is engaged to provide strategic planning, business development, innovation scouting, funding facilitation, and project management services. The total monthly retainer fees under these agreements amount to USD 11,000 (plus VAT), as detailed below: - \$2,500 per month from the Company, - \$3,500 per month from CTGL Citrine Global Israel Ltd, \$5,000 per month from Cannovation Center Israel Ltd. However, all payments under these agreements are deferred until the earlier of: (i) the listing of Citrine Global Corp on a recognized U.S. stock exchange; (ii) successful fundraising of at least USD2.5 million from external sources; or (iii) the Company achieving positive operational cash flow, confirmed by the board of directors ("Payment Event"). In addition to cash compensation, the Company may award equity-based compensation under future equity incentive plans, subject to board approval. One such equity grant will approve by company, granting options to purchase 41,762,976 common shares, with a two-year vesting schedule and 50% acceleration upon uplisting. As of this report, the options have not been issued yet.

As of September 2024, the Company renewed its short term loan with S.R. Accord Ltd. in the amount of approximately NIS 660,000 (approximately \$176,000). As part of the renewal, Mr. Lior Asher signed as a personal guarantor, joining Ms. Ora Elharar Soffer as guarantor. In addition, the Company, its Israeli subsidiary CTGL – Citrine Global Israel Ltd., and Beezhome Technologies Ltd., a private company wholly owned by Ms. Ora Elharar Soffer, signed the agreement. While Netto Holdings Ltd. and Mr. Ilan Ben Ishay had originally undertaken to provide personal guarantees, they had not executed such guarantees as of that date. All collateral under the Credit Facility remained in place, including a first-priority lien over the Company's rights and the 125,000 sq. ft. (11,687 sq. meters) industrial parcel in Yerucham, Israel, as well as additional collateral intended to secure repayment of the loan and to cover any damage, debt, or obligation arising from the Credit Facility. The Company, together with CTGL – Citrine Global Israel Ltd. and Cannovation Center Israel Ltd. (now SkyTech Orion Ltd.), undertook to fully indemnify both Ms. Elharar Soffer and Mr. Lior Asher for any liability, damage, or loss that may result from their personal guarantees. On March 31, 2025, the total amount of the short term loan was increased to NIS 1,000,000 (approximately \$280,000), with all guarantees and collateral remaining in place. On August 2025, SR Accord extended the credit facility agreement with Cannovation Center Israel Ltd. (renamed SkyTech Orion Ltd.) until March 31, 2027. The facility is supported by guarantees of CTGL Citrine Global Israel Ltd. and Citrine Global Corp., as well as personal guarantees signed by Ora Elharar-Soffer, the Company's CEO, and Lior Asher, a director of SkyTech Orion Ltd. With respect to the personal guarantees of Ora Elharar-Soffer and Lior Asher, Cannovation Center Israel Ltd. (SkyTech Orion Ltd) CTGL Citrine Global Israel Ltd., and Citrine Global Corp. have confirmed, in line with prior Board resolutions, their undertaking to provide indemnification and comprehensive protections to the guarantors.

On October 9, 2024, the board appointed Mr. Lior Asher to serve as a director of our subsidiaries CTGL Citrine Global Israel Ltd. and Cannovation Center Israel Ltd.

On December 29, 2024 - Citrine Global Corp. appointed Mr. David Price, LLC, as the company's U.S. legal counsel.

On December 31, 2024, the Company entered into agreements with three related noteholders – Citrine LP 7, Citrine LP 8, and Citrine LP 9 – to convert outstanding principal amounts under certain convertible promissory notes into common shares of the Company. In total, the Company converted principal debt of \$1,880,000 (NIS 6,439,998) into 176,410,600 common shares. And the accrued interest on all such notes will be payable to the entitled noteholders only if and when the Company raises gross proceeds of at least \$5 million. Citrine LP 7 - The Company converted its outstanding principal debt into 24,513,100 common shares. The conversion related to: A convertible note issued on April 19, 2020, in the original principal amount of \$170,000 (NIS 608,379); and A note issued on September 30, 2022, in the original principal amount of \$80,000 (NIS 286,350). Citrine LP 8 - The Company converted its outstanding principal debt into 41,023,400 common shares. The conversion related to: A convertible note issued on June 15, 2020, in the original principal amount of \$100,000 (NIS 347,439); and A note issued on June 21, 2020, in the original principal amount of \$350,000 (NIS 1,149,925). Citrine LP 9 - The Company converted its outstanding principal debt into 110,874,100 common shares. The conversion related to: A convertible note issued on June 15, 2021, in the original principal amount of \$900,000 (NIS 3,127,770); A note issued on January 5, 2022, in the original principal amount of \$180,000 (NIS 566,047); and A note issued on July 15, 2022, in the original principal amount of \$100,000 (NIS 353,088). In addition, the Company issued warrants to purchase 176,010,600 shares of common stock under the same terms, exercisable at an exercise price of \$0.01 per share and exercisable until the earlier of December 31, 2025, or the Company's listing on a U.S. national stock exchange.

On January 7, 2025, Deer Light Ltd signed an investment agreement with Citrine Global Corp. (the "Company"). under which it committed to invest USD 137,000 in exchange for 13.7 million common shares and warrants to purchase an additional 13.7 million shares at an exercise price of \$0.01 per share. The warrants are exercisable by December 31, 2025, or upon uplisting to a national stock exchange, whichever comes first. The investment is to be completed no later than March 15, 2025, and may be partially executed through direct supplier payments. As of March 2025, the investment has been fully completed.

On January 12, 2025, Cannovation Center Israel Ltd. (subsequently renamed SkyTech Orion Ltd.), the Israeli subsidiary of Citrine Global Corp., received official notification from the Israeli Ministry of Economy and Industry that it had been awarded a government grant in the amount of NIS 12.5 million (approximately USD 3.4 million). The grant, in the amount of NIS 12.5 million (approximately USD 3.4 million), is structured as reimbursements of approximately 37.5% of the Company's eligible expenses, including construction, equipment, services, and other costs submitted in connection with the establishment of the SkyTech Innovation and Production Center. The grant was awarded as part of a national strategic program supporting the defense sector. The funds are designated for the establishment of the SkyTech Innovation and Production Center in the city of Yerucham, Israel, on land that had previously been allocated to the subsidiary by the State of Israel as part of a prior grant for the construction of an Operational Innovation Center. This new grant is in addition to the prior allocation and supports the construction of approximately 5,000 square meters of facilities on the 11.7-dunam (about 2.89 acres) plot. The Center will include assembly lines, R&D laboratories, testing facilities, and an advanced production system focused on developing and manufacturing defense-grade UAV and drone solutions. As noted,

On January 23, 2025, a shareholders' meeting of Cannovation Center Ltd. was held with the participation of all shareholders: CTGL Citrine Global Israel Ltd., holding 60% (a subsidiary of Citrine Global Corp.), Beezhome Technologies Ltd. (owned by Ms. Ora Elharar Soffer, the Company's CEO), holding 20%, and Golden Holdings Finance, holding 20%.

All shareholders were given the opportunity to support the Company, including by providing personal guarantees for existing loans as well as for obligations under the government grant. CTGL Citrine Global Israel Ltd. expressed its support, and Beezhome Technologies Ltd., through its owner and the Company's CEO, Ms. Ora Elharar Soffer, personally signed guarantees in connection with the existing loans and the government grant commitments, thereby providing the direct backing required to advance the Company's activities.

On May 29, 2025, after the period granted to Golden Holdings Finance had passed, and since it did not provide any support or personal guarantees, the Company executed the resolution. Pursuant to this resolution, new shares were allocated to CTGL Citrine Global Israel Ltd., increasing its holdings to 69.5%, and to Beezhome Technologies Ltd., increasing its holdings to 29.5%. As a result, the holdings of Golden Holdings Finance in Cannovation were diluted to approximately 1%.

On March 5, 2025, the Board approved a Directors & Officers (D&O) insurance policy with coverage of USD 3 million at an annual premium of USD 23,750.

On March 26, 2025, the Board approved to increase the share capital of Cannovation Center Israel Ltd. and CTGL Citrine Global Israel Ltd.

On April 3, 2025, a binding Settlement Agreement was reached with a former consultant of our subsidiary, Cannovation Center Israel Ltd., relating to management fees and compensation for the notice period. This has been fully paid.

On April 8, 2025, in accordance with the grant requirements, a digital bank guarantee in the amount of NIS 625,000 (approximately USD 187,000) was issued by Bank Mizrahi. The guarantee is backed by an unlimited personal guarantee from Ms. Ora Elharar Soffer and a limited personal guarantee from Mr. Meir Aharon, who, through his consulting and construction company, has been engaged to build the SkyTech Center in Yerucham.

On April 8, 2025, a contract was signed with M. Aharon Construction & Projects Ltd. for the construction of the concrete skeleton of the SkyTech Center in Yerucham. The agreement includes exclusivity subject to conditions, with price adjustments permitted in exceptional circumstances such as significant material cost increases or delays in permitting. Mr. Aharon committed to a personal guarantee and bank collateral, and the Company undertook to grant him the right of first refusal, a bonus for his commitment (including options), and full indemnification by Citrine Global, Cannovation, and CTGL.

On May 13, 2025, the Israeli subsidiary Cannovation Center Israel Ltd. changed its name to **SkyTech Orion Ltd.**

On June 19, 2025, the Board of Directors of SkyTech Orion Ltd., whose 69.5% of its shares are held by CTGL Citrine Global Israel Ltd., Citrine Global Corp.'s wholly-owned subsidiary, resolved that, in light of the personal exposure of Ms. Ora Elharar Soffer, the Company's Chairwoman and CEO, who personally invests funds and is the only shareholder continuously supporting the Company by providing services, personal guarantees and financial resources and is the sole owner of Beezhome Technologies Ltd. holding 29.5% of the shares of SkyTech Orion Ltd., shall be granted Anti-Dilution Protection with respect to its holdings in SkyTech Orion Ltd.

On June 26, 2025, Citrine Global Corp. changed its name to SkyTech Orion Global Corp. in Delaware, reflecting its strategic focus on UAV and drone solutions.

Components of Operating Results

The following discussion summarizes the key factors our management believes are necessary for an understanding of our consolidated financial statements.

Revenues

We have not generated any revenues from product sales as of June 30, 2024.

Research and Development Expenses

The process of researching and developing our products is lengthy, unpredictable, and subject to many risks. We expect to continue incurring expenses for the next several years for research and development as we continue to develop products and innovative solutions. We are unable, with any certainty, to estimate either the costs or the timelines in which those expenses will be incurred. Our current development plans focus on the development of plant-based solutions and Products lines.

Our research and development costs include costs are composed of:

- internal recurring costs, such as personnel-related and consultants costs (salaries, employee benefits, equity compensation and other costs), materials and supplies, facilities and maintenance costs attributable to research and development functions; and
- fees paid to external parties who provide us with contract services, such as preclinical testing, manufacturing and related testing and activities.

Marketing

Marketing expenses consist primarily of salaries, employee benefits, equity compensation, and other personnel-related costs associated with executive and other support staff. Other significant marketing expenses include the costs associated with professional fees to develop our marketing strategy.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, employee benefits, equity compensation, and other personnel-related costs associated with executive, administrative and other support staff. Other significant general and administrative expenses include the costs associated with professional fees for accounting, auditing, insurance costs, consulting and legal services, along with facility and maintenance costs attributable to general and administrative functions.

Financial Expenses

Financial expenses consist primarily impact of exchange rate derived from re-measurement of monetary balance sheet items denominated in non-dollar currencies. Other financial expenses include bank's fees and interest on long term loans.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 compared to the Three Months Ended June 30, 2023

The following table presents our results of operations for the three months ended June 30, 2024 and 2023

	Three Months Ended June 30	
	2024	2023
	US Dollars	
Research and development expenses – related parties	-	(28,000)
Marketing, general and administrative expenses – related parties	(222,000)	(334,000)
Marketing, general and administrative expenses	(42,000)	(201,000)
Operating loss	(264,000)	(563,000)
Expenses related to convertible loan terms – related parties	(24,000)	(100,000)
Fair value measurement of the IBOT options	(932,000)	-
Other financing expenses, net	(30,000)	(13,000)
Net loss	(1,250,000)	(676,000)

Revenues. We had no revenues in the three months ended June 30, 2024 and 2023.

Research and Development. Research and development expenses for the three months ended June 30, 2024 were \$0 compared to \$28,000 for the three months ended June 30 2023.

Marketing, general and Administrative Expenses. Marketing, general and administrative expenses consist primarily of professional services, share-based compensation expenses and other non-personnel related expenses such as legal expenses. Marketing, general and administrative expenses for the three months ended June 30, 2024 were \$264,000 compared to \$535,000 for the three months ended June 30, 2023. The increase in our marketing, general and administrative expenses is primarily attributable to the increase in our non-cash share-based compensation expenses.

Financing Expenses, Net. Financing expenses, net for the three months ended June 30, 2024 were \$54,000 compared to financing income, net \$113,000 for the three months ended June 30, 2023. The decrease in financial expense is primarily attributable to finance expenses related to our convertible loans.

Net Loss. Net loss for the three months ended June 30, 2024 was \$1,250,000 and is attributable to the reasons discussed above.

Comparison of the Six Months Ended June 30, 2024 compared to the Six Months Ended June 30, 2024

The following table presents our results of operations for the six months ended June 30, 2024 and 2023

	Six Months Ended June 30	
	2024	2023
	US Dollars	
Research and development expenses	-	(57,000)
Marketing, general and administrative expenses – related parties	(455,000)	(728,000)
Marketing, general and administrative expenses	(212,000)	(296,000)
Operating loss	(667,000)	(1,081,000)
Expenses related to convertible loan terms – related parties	(34,000)	(429,000)
Fair value measurement of the IBOT options	(747,000)	-
Other financing expenses, net	(54,000)	(18,000)
Net loss	(1,502,000)	(1,528,000)

Revenues. We had no revenues in the six months ended June 30, 2024 and 2023.

Research and Development. Research and development expenses for the six months ended June 30, 2024 were \$0 compared to \$57,000 for the six months ended June 30 2023.

Marketing, general and Administrative Expenses. Marketing, general and administrative expenses consist primarily of professional services, share-based compensation expenses and other non-personnel related expenses such as legal expenses. Marketing, general and administrative expenses for the six months ended June 30, 2024 were \$667,000 compared to \$1,024,000 for the six months ended June 30, 2023. The increase in our marketing, general and administrative expenses is primarily attributable to the increase in our non-cash share-based compensation expenses.

Financing Expenses, Net. Financing expenses, net for the six months ended June 30, 2024 were \$88,000 compared to financing expenses, net \$447,000 for the six months ended June 30, 2023. The increase in financial expense is primarily attributable to finance expenses related to our convertible loans.

Net Loss. Net loss for the six months ended June 30, 2024 was \$1,502,000 and is attributable to the reasons discussed above.

Financial Condition, Liquidity and Capital Resources

At June 30, 2024, we had current assets of \$128,000 compared to total current assets of \$258,000 as of December 31, 2023. The increase is mainly attributed to the increase in other prepaid expenses.

At June 30, 2024, we had a cash balance of \$3,000 compared to the cash balance of \$7,000 as of December 31, 2023.

At June 30, 2024, we had a working capital deficiency of \$2,980,000 as compared with a working capital deficiency of \$2,461,000 at December 31, 2023.

The following table provides a summary of operating, investing, and financing cash flows for the six months ended June 30, 2024 and 2023, respectively (in US Dollars):

	Six Months Ended	
	June 30, 2024	June 30 2023
Net cash used in operating activities	(30,000)	(97,000)
Net cash used in investment activities	-	-
Net cash provided by Financing Activities	26,000	51,000

As of September 2024, the Company renewed its short term loan with S.R. Accord Ltd. in the amount of approximately NIS 660,000 (approximately \$176,000). As part of the renewal, Mr. Lior Asher signed as a personal guarantor, joining Ms. Ora Elharar Soffer as guarantor. In addition, the Company, its Israeli subsidiary CTGL – Citrine Global Israel Ltd., and Beezhome Technologies Ltd., a private company wholly owned by Ms. Ora Elharar Soffer, signed the agreement. While Netto Holdings Ltd. and Mr. Ilan Ben Ishay had originally undertaken to provide personal guarantees, they had not executed such guarantees as of that date. All collateral under the Credit Facility remained in place, including a first-priority lien over the Company's rights and the 125,000 sq. ft. (11,687 sq. meters) industrial parcel in Yerucham, Israel, as well as additional collateral intended to secure repayment of the loan and to cover any damage, debt, or obligation arising from the Credit Facility. The Company, together with CTGL – Citrine Global Israel Ltd. and Cannovation Center Israel Ltd. (now SkyTech Orion Ltd.), undertook to fully indemnify both Ms. Elharar Soffer and Mr. Lior Asher for any liability, damage, or loss that may result from their personal guarantees. On March 31, 2025, the total amount of the short term loan was increased to NIS 1,000,000 (approximately \$280,000), with all guarantees and collateral remaining in place.

On August 2025, SR Accord extended the credit facility agreement with Cannovation Center Israel Ltd. (renamed SkyTech Orion Ltd.) until March 31, 2027. The facility is supported by guarantees of CTGL Citrine Global Israel Ltd. and Citrine Global Corp., as well as personal guarantees signed by Ora Elharar-Soffer, the Company's CEO, and Lior Asher, a director of SkyTech Orion Ltd. With respect to the personal guarantees of Ora Elharar-Soffer and Lior Asher, Cannovation Center Israel Ltd.(SkyTech Orion Ltd) CTGL Citrine Global Israel Ltd., and Citrine Global Corp. have confirmed, in line with prior

Board resolutions, their undertaking to provide indemnification and comprehensive protections to the guarantors.

Based on the Company's current cash balances and the access to the Credit Facility described above, the Company believes that it has sufficient funds for its plans for the next twelve months from the issuance of these financial statements. As the Company is embarking on its activities as detailed herein, it is incurring losses. It cannot determine with reasonable certainty when and if it will have sustainable profits.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's principal executive officer and the Company's principal financial officer to allow for timely decisions regarding required disclosure. In designing and evaluating the Company's disclosure controls and procedures, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. The Company's management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the Company's evaluation of the effectiveness of its disclosure controls and procedures as of June 30, 2024, the Company's principal executive officer and the Company's principal financial officer concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As of the date of this filing, the Company is not aware of any legal proceedings involving the company and/or its subsidiaries. An issue involving a former consultant of our partially-owned subsidiary, Cannovation Center Israel Ltd., relating to management fees and compensation for the notice period, has been fully resolved through a binding Settlement Agreement.

ITEM 1A. RISK FACTORS

An investment in the Company's Common Stock involves a number of very significant risks. You should carefully consider the risk factors included in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on August 31, 2025, in addition to other information contained in our reports and in this quarterly report in evaluating the Company and its business before purchasing shares of our Common Stock. There have been no material changes to our risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2023.

Risks Relating to Our Israel Operations

Our company is headquartered in Israel and, therefore, our results may be adversely affected by economic restrictions imposed on, and political and current military events.

The company's executive management and subsidiaries are based in Israel, where a significant portion of its strategic, development, and operational activities take place.

On October 7, 2023, a large-scale war broke out between Israel and Hamas following a surprise terrorist attack on southern Israel. This marked the beginning of a period of heightened geopolitical and economic instability in the region. As of the time of this filing, the situation remains volatile, with increasing uncertainty regarding the duration, scope, and broader implications of the conflict. Although the full impact of the war is not yet fully known, we recognize the potential for significant long-term consequences for business activities in or related to Israel, including potential disruptions to supply chains, operational continuity, or access to resources. The Company is closely monitoring the evolving regional situation.

ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Index:

31.1*	<u>Certification of Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934</u>
31.2	<u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934</u>
32.1*	<u>Certification of Chief Executive Officer (Principal Executive Officer), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

SIGNATURES

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

CITRINE GLOBAL, CORP
(Registrant)

By: /s/ Ora Elharar Soffer
Ora Elharar Soffer
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Ilanit Halperin
Ilanit Halperin
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: September 3, 2025

Date: September 3, 2025

I, Ora Elharar Soffer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Citrine Global, Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Ora Elharar Soffer
Ora Elharar Soffer, Chief Executive Officer
(Principal Executive Officer)

Date: September 3, 2025

I, Ilanit Halperin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Citrine Global, Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Ilanit Halperin
Ilanit Halperin, Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: September 3, 2025

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Principal Executive Officer of Citrine Global, Corp. (the “Company”) hereby certifies to such officer’s knowledge that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ora Elharar Soffer

Ora Elharar Soffer, Chief Executive Officer
(Principal Executive Officer)

Dated: September 3, 2025

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350**

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Principal Executive Officer of Citrine Global, Corp. (the “Company”) hereby certifies to such officer’s knowledge that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ilanit Halperin

Ilanit Halperin, Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: September 3, 2025
