

CITRINE GLOBAL, CORP.

FORM 10-K (Annual Report)

Filed 09/03/25 for the Period Ending 12/31/23

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-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2023**

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 of Incorporation)

68-0080601
(I.R.S. Employer Identification No.)

5 Golden Beach
Caesarea Israel
(Address of Principal Executive Offices)

3088900,
(Zip Code)

Registrant's Telephone Number, Including Area Code: +97298851422

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common	CTGL	OTC

Securities registered pursuant to section 12(g) of the Act:

Common Stock, \$0.0001 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☒

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

Large accelerated filer	☐	Accelerated filer	☐
Non-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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control

over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive- based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

On December 31st, 2023, the registrant had 973,704,039 shares of common stock outstanding; and 1,234,185,009 as of September 3, 2025.

CITRINE GLOBAL CORP
2023 FORM 10-K ANNUAL REPORT
TABLE OF CONTENTS

	Page
PART I	
<u>ITEM 1. BUSINESS</u>	4
<u>ITEM 1A. RISK FACTORS</u>	13
<u>ITEM 1B. UNRESOLVED STAFF COMMENTS</u>	19
<u>ITEM 1C. CYBERSECURITY</u>	19
<u>ITEM 2. PROPERTIES</u>	19
<u>ITEM 3. LEGAL PROCEEDINGS</u>	19
<u>ITEM 4. MINE SAFETY DISCLOSURES</u>	19
PART II	
<u>ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	20
<u>ITEM 6. RESERVED</u>	21
<u>ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	21
<u>ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	27
<u>ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	28
<u>ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	29
<u>ITEM 9A. CONTROLS AND PROCEDURES</u>	29
<u>ITEM 9B. OTHER INFORMATION</u>	29
<u>ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION</u>	29
PART III	
<u>ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	30
<u>ITEM 11. EXECUTIVE COMPENSATION</u>	32
<u>ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	34
<u>ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	35
<u>ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	35
PART IV	
<u>ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	36
<u>ITEM 16. FORM 10-K SUMMARY</u>	36
<u>SIGNATURES</u>	37

Cautionary Statement regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. These forward-looking statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the forward-looking statements are made, and we undertake no obligation to update forward-looking statements should these beliefs, estimates, and opinions or other circumstances change. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these forward-looking statements to actual results.

Our financial statements are stated in United States dollars, or US\$, and are prepared in accordance with United States generally accepted accounting principles, or GAAP. In this Annual Report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common stock” refer to the shares of our common stock. As used in this Annual Report, the terms “we,” “us,” “our,” “Citrine Global,” the “Company” and the “Registrant” mean Citrine Global, Corp. and its subsidiaries unless the context clearly requires otherwise.

PART I

ITEM 1. BUSINESS

This summary highlights selected information contained elsewhere in this report and does not contain all the information that you should consider before making your investment decision. Before investing in our common stock, you should carefully read this entire report, including the information set forth under the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this report and our consolidated financial statements and the accompanying notes included in this report. Except as otherwise indicated herein or as the context otherwise requires, references in this report to “Citrine Global,” the “Company,” “we,” “us,” and “our” refer to Citrine Global, Corp. and our consolidated subsidiaries, including our wholly-owned subsidiary, CTGL-Citrine Global Israel Ltd. and to our partially owned subsidiary Cannovation Center Israel Ltd.;

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 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.

Description of our Business:

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 centers 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
- Manufacturing and product 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 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.

We seek to bring to the market wellness and pharma innovative products, such as food supplements, healthy snacks, healthy beverages and natural cosmetics, to help improve people's health and quality of life and complementary products that aim to balance selected side effects associated with medicines, treatments or an unbalanced lifestyle.

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 plant-based formulations and product lines targeting the nutritional supplements market that is expected to reach \$625 billion by 2030¹.

The product lines categories include:

- Personal Protection & Health Supportive Product Line
- Balance & Calm Product Line
- Digestion, Weight Management Product Line
- Sports & Energy Product Line
- Oral Cavity Care Product Line
- Vitamins & Minerals Product Line
- Medicinal Mushrooms Product Line

We started beta-testing several products in the Israeli market with plans for an international network focusing on the U.S. market through local teams, distributors, online and physical shops and collaboration with partners worldwide.

Our presence in Israel combined with our close contacts with leading universities, researchers, companies, shareholders and governmental support, allows us to access the latest technologies, talent, and innovation to bring innovative solutions to the global market.

Strategic Alliance and Investment in iBOT Israel Botanicals Ltd.

We have a strategic alliance and manufacturing agreement with iBOT Israel Botanicals Ltd., an affiliated company and GMP-certified manufacturing facility approved by the Israeli Ministry of Health. Together, we are developing and manufacturing our nutritional supplement product lines.

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

We also received an option, exercisable through June 30, 2024, to increase our holdings to 51%, with additional consideration in shares (at \$0.027 per share) and cash to fund iBOT's 24-month operating budget.

Alliance and Investment in MyPlant Bio Ltd

We hold a **10% equity interest** in MyPlant Bio Ltd - MyPlant Bio Ltd., a botanical drug discovery company using advanced plant screening technologies co-founded by leading Israeli researchers. MyPlant Bio Ltd. specializes in botanical drug development and owns certain know-how and intellectual property rights that include a developed platform and cell-disease models to screen plant extracts to understand their biological effect and has screening platforms using cell line models for certain diseases and conditions to detect effective plant materials and/or other substances for the treatment of these conditions. MyPlant was founded by Cannasoul Analytics, a leading botanical research and development company and Prof. Dedi Meiri from the Faculty of Biology at the Israeli Institute of Technology (Technion) and a member of the Technion Integrated Cancer Center. Citrine Global's acquisition of MyPlant is in line with Citrine Global's strategy to be a leader in plant-based wellness and pharma solutions.

¹ Research, P., 2022. Nutritional Supplements Market to Hit US\$ 624.7 Billion by 2030. [online] GlobeNewswire

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. We position our product lines to capture market share in the nutritional supplements market that is expected to reach \$625 billion by 2030².

The products arrive in multiple form factors, such as sprays, powders, tablets, capsules, and tinctures.

We used innovative technologies and experience to create the products combining a variety of well researched plants including herbal extracts, medicinal mushrooms, vitamins, minerals and variety of researched plants known for their healing qualities that contain substances with different anti-inflammatory properties and a variety of health-supportive effects that are relaxing, sleep enhancing, energizing, mood and body balancing, enhancing oral care and alleviating side effects.

The product lines include the following categories:

1. The Oral Cavity Care Family Line

The Oral Cavity Care Product Family Line targets to balance oral cavity dryness side effects. 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.

Benefits of the Oral Cavity Care Product series:

- The SmokLy™ line of sprays targeting the market of tobacco smokers.
- The DryLess™ line of sprays targeting adult population experiencing constant dry mouth and certain cancer treatment patients that experience constant dry mouth as part of their cancer treatment regimen
- The products contain plant extracts distilled from seeds, roots, bark, fruits with active anti-inflammatory substances that encourage saliva production, taste and can promote saliva production and moisture in the oral cavity.
- Convenient to use by spraying into the oral cavity
- The products come in 7 different flavors: lemon, strawberry, passion fruit, aniseed, mango, maple and mint

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:

Medicinal Mushrooms Family Line targets to balance important body systems.

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.

² Research, P., 2022. Nutritional Supplements Market to Hit US\$ 624.7 Billion by 2030. [online] GlobeNewswire

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

3. The Booster (Energy & Sports) Family Line

The Booster Family Line targets to provide energy and strength. 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.

4. The Balance & Calm Family Line

Balance & Calm Family Line for mood and body balancing. 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:

Personal Protection Family Line targets to support various chronic and other health conditions and prevent contagion with viruses and bacteria. 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.

IP 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.

The research and development program includes:

- Developing wellness plant-based product portfolio across the range from scientific and research-based plants, such as herbal extracts, medicinal mushrooms, and other natural ingredients
- Expanding our product lines and registering the products for worldwide regulatory approvals.
- Building clinical trials program & portfolio
- Registering products for regulatory approval
- Building the infrastructure for production and innovation centers to leverage developing and manufacturing wellness to pharma plant-based products

Strategic Operational Innovation Centers Platform

As part of our long-term strategic infrastructure plan, we have developed a proprietary Platform of Operational Innovation Centers through our subsidiary, *Cannovation Center Israel Ltd.*, to support the company's core operations, scalable growth, and expansion into highly regulated and technology-intensive sectors.

These centers are designed as industry-specific operational ecosystems that provide end-to-end infrastructure for research and development, certified manufacturing, quality assurance, regulatory compliance, logistics, import/export, and commercialization.

The platform targets key sectors such as wellness, plant-based pharma, biotech, defense, and Foodtech, and supports the company activities and growth strategy.

Development of the platform including participation in national programs that promote industrial development and innovation enabling access to government incentives such as land grants, construction subsidies, and tax benefit

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

As part of the initial construction phase, we plan to build a facility of approximately **5,000–square meters**, which will include:

- Manufacturing facilities for botanicals and nutritional supplements
- Manufacturing facilities for pharma plant-based products & botanical drugs
- Manufacturing facilities for healthy snacks & beverages
- Manufacturing facilities for plant-based cosmetics
- R&D laboratories for development, clinical studies, and quality control testing
- Distribution and global logistics center
- Management and consultant offices
- Conference, training & visitor center

Our Business Model for the Center includes:

- Production & sales of our branded products;
- Production & services to third parties;
- Full turnkey solutions for all the services that the center can provide, including R&D, QA, production, market positioning, and sales;
- Partnerships and collaborations with international companies in the wellness and pharma industries that are interested in establishing an innovation and production infrastructure in Israel;
- Mergers & acquisitions and strategic partnership activities; and
- Partnerships based on models of profit sharing.

Israel as a Source of Innovation

Our presence in Israel combined with our close contacts with leading universities, researchers and companies empowers us to access the latest technologies, talent, and innovations and bring them to the global market.

We chose to focus on Israel for the following reasons:

- Israel is well positioned as a leader in technology with a critical mass of technology companies, researchers, and scientists.
- Our headquarters, our executives and strategic partners are based in Israel, where we have been operating for years and have a strong network with Israeli companies, universities, labs, entrepreneurs, and businesses.
- Israel is considered a pharma powerhouse and a world leader in clinical trials due to its advanced regulatory environment and local experience.

- The Israeli government views and supports technological innovation a major growth engine for the Israeli economy and supports it. The government support includes grants for the purchase of equipment, tax incentives, incentives for employing workers, and other benefits as part of a program of the Israeli government to encourages industrial development and benefits for the city of Yerucham.
- We acquired land in the south of Israel, backed by government support, to build our operational innovation center dedicated to wellness and pharma technologies.

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.

Creating a Global Network & Growth Strategy

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.

Go to Market Strategy and Prospective Revenue Sources

The plant-based wellness & pharma market is booming, with health-conscious consumers spending more on natural products ranging from nutraceuticals, natural superfoods, beverages, and cosmetics to the evolving market of botanical and plant-derived drugs.

- The nutritional supplements market is expected to reach USD 624.7 billion by 2030⁵.
- The superfoods market is expected to reach USD 287.7 billion by 2027⁶.
- The botanical and plant-derived drug market is expected to reach USD 53 billion by 2026⁷.
- The natural cosmetics market is expected to reach USD 24.8 billion by 2027⁸.

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.

Competition

The global health and wellness market is expected to reach USD 7.6 trillion by 2030⁹ and is very crowded and competitive. Many companies, from startups to corporate giants, operate in these spaces.

Plant-based wellness sector: Nutritional supplements

The Nutritional supplements and OTC wellness products markets are growing thanks to increased attention to natural products, health and prevention by the consumers and increased health care costs and search for alternatives to cure specific problems.

Some of the key players in this market are Herbalife Nutrition Ltd., Amway Corp., Abbott, Arkopharma, Bayer AG, Glanbia PLC, Pfizer Inc., ADM, and Ayanda¹⁰.

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

⁶ Research, I., 2022. Global Superfoods Market Size is Projected To Reach US\$ 287.75 Billion by 2027 | [online] GlobeNewswire Newsroom

⁷ 2018-2026, G. and 2018-2026, G., 2022. Botanical and Plant Derivative Drug Market - Global Forecast 2018-2026. [online]

⁸ Fortune Business Insights, The global vegan cosmetics market is projected to grow to \$24.79 billion in 2028 Report ID FBI106594

⁹ Research, P., 2022. Health and Wellness Market Size to Hit USD 7,656.7 Bn by 2030. [online] GlobeNewswire News Room.

¹⁰ MarketView Research: Dietary Supplements Market Size, Share & Trends Analysis Report, 2022 - 2030

We have differentiated ourselves through our end-to-end strategy of bringing to market innovative plant-based wellness and pharma products covering the whole spectrum from research, product development, building infrastructure, manufacturing, and marketing. We built the following strategy and unique business model that can support our ability to remain competitive:

We are leveraging technology and research and focus on developing plant-based wellness and pharma solutions to improve quality of life and complementary products for balancing selected side effects caused by medicines and treatments, aging, stress, and an unbalanced lifestyle

We have the ability to develop innovative products and solutions that meet customer and market needs

- Strategic Investments in Innovation Partners - As part of our long-term vision, we invest in companies that bring complementary capabilities to our platform and help accelerate product development and market reach.
- We hold a 19% equity stake in iBOT Israel Botanicals Ltd., a GMP-certified facility approved by the Israeli Ministry of Health, with whom we collaborate on the development and manufacturing of nutritional supplement lines.
- We hold a 10% equity stake in MyPlant Bio Ltd., a company specializing in cannabinoid-based science and plant-derived pharma applications, with a strong research base and pipeline of advanced botanical formulations.
- Our Platform of Operational Innovation Centers - To support scalable and compliant growth across highly regulated industries, we are developing a platform of Operational Innovation Centers. These centers provide infrastructure, regulatory support, manufacturing, QA, logistics, import/export, and commercialization services tailored to industry-specific needs.

The Health & Wellness Industries Global Market Size and Potential:

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. The hectic, unbalanced lifestyle has resulted in the prevalence of lack of proper diet and sleep, stress, depression, anxiety, cancer, diabetes, and various other health related issues. Lack of proper diet has resulted in the reduced intake of essential nutrients and minerals required for the healthy and active functioning of the human body. Precedence research identifies growth opportunities to the health and wellness market players across the globe in the adoption of smart technologies and innovative ways in manufacturing various health and wellness products, nutritional supplements, healthy snacks and beverages, the growing biopharmaceutical industry and development of botanical drugs¹¹.

The Plant-Based Global Market Size and Potential:

The plant-based products market is booming with health-conscious consumers spending more on natural products, ranging from nutraceuticals, natural superfoods, beverages, cosmetics and the evolving market for botanical and plant-derived drugs.

The Global Nutritional Supplements Market¹²

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 effect. 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 prevention¹³.

¹¹ Research, P., 2022. Health and Wellness Market Size to Hit USD 7,656.7 Bn by 2030. [online] GlobeNewswire News Room

¹² Research, P., 2022. Nutritional Supplements Market to Hit US\$ 624.7 Billion by 2030. [online] GlobeNewswire

¹³ PwC "Vitamins and Dietary Supplements Market Overview Report, <https://www.pwc.com/it/publications/assets/docs/Vitamins-Dietary-Supplements-Market-Overview.pdf>

We believe that the market demand for **Nutritional Supplements** is driven by:

- Increasing attention to health and prevention by the consumers
- Greater customization of needs for different segments of the population
- Increased health care costs and search for alternatives to cure specific problems
- The growth in demand for supplements is mainly driven by probiotic supplements, Fatty Acids (i.e. fish oils) and protein supplements
- Herbal/Botanical Supplements usage has emerged as a popular complementary and alternative medicine or supplement to modern medicine
- Rising consumer awareness regarding the severity of digestive disorders stimulate the growth of the Enzymes segment.

The Botanical and Plant-derived Drug Market¹⁴

The global botanical and plant-derivative drug market is anticipated to grow to \$53 billion by 2026 driven by growing applications in diseases, technological developments in manufacturing processes and a growing focus and demand for naturally sourced medicines.

Botanical drugs are derived from natural sources, plants and mushrooms, and are considered to have fewer side-effects as compared to synthetic drugs while showing high efficacy in helping to treat different medical conditions and chronic diseases.

The important driver for growth in the global botanical and plant-derivative drug market is its growing applications in diseases. Botanical drugs are derivative of medicinal plants and may contain algae and vegetable substances, along with macroscopic fungi. These may assist in the treatment of various diseases, such as central nervous system disorders, infectious diseases, cardiovascular diseases, and respiratory diseases. Botanical and plant derivative drugs are available in various forms, such as pills, tablets, and injections.

The Botanical and plant-derivative drug market is primarily driven by the following factors

- Growing applications in diseases
- Growing FDA approvals
- Technological development in the manufacturing process
- Rising demand for traditional medicines
- Growing focus on natural source medicines

The Global Natural Cosmetics Market¹⁵

The global natural cosmetics market is projected to reach USD 24.86 billion by 2028 driven mainly by increasing demand for harmful chemical-free cosmetics, rising awareness against the use of animal derivatives and growing social media movements endorsing naturally derived products.

The cosmetic and personal care segment of botanicals is also on the rise with companies increasingly discovering novel herbal ingredients as consumers are seeking more natural products with ingredients that are of plant origin: extracts or oils obtained from raw plant materials. Natural cosmetics are cosmetics that have ingredients of plant origin. The absence of chemical compounds and animal-by products are specifically suited to sensitive skin people. The natural cosmetic products are biodegradable and environmentally friendly. Many companies in the field focus on the production of natural cosmetics that are cruelty-free as these products have increasing demand.

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.

¹⁴ 2018-2026, G. and 2018-2026, G., 2022. Botanical and Plant Derivative Drug Market - Global Forecast 2018-2026. [online] Inkwood Research

¹⁵ Fortune Business Insights, the global vegan cosmetics market is projected to grow to \$24.79 billion in 2028 Report ID FBI106594 [online]

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.

Regulatory Environment for the Products¹⁶

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 classified.

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 manufactured. 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 Israel.

We currently expect to launch our products in the US in the first half of 2024. We will obtain all relevant regulatory approvals for the products before launching them in other territories

As of this time, the current war in Gaza has significantly affected the Israeli economy, which has directly impacted our ability to launch our products in the US at this time. We shall revise and disclose our business plans in the future given the local situation on the ground.

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.

Regulatory Compliance for Cannovation Israel Center

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.

¹⁶ ISPE organization, Regulatory-Resources – GMP; Israeli Ministry of Health, National Food Services Department Website (NFS)

Employees/Consultants

We currently engage 18 consultants, including our officers, on a part-time basis, working in various fields of management, research and development, product management, marketing and regulatory advice. Most of our activities are done with external consultants and professional companies that provide us the required services.

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 subsidiary, Cannovation Center Israel Ltd., relating to management fees and compensation for the notice period, has been fully resolved through a binding Settlement Agreement.

Our Corporate History

We were incorporated under the laws of the State of Delaware on May 26, 2010 under the name “TechCare Corp.”.

On January 6, 2020, our predecessor company, TechCare Corp., a Delaware corporation (“TechCare”), and Citrine S A L Investment & Holdings Ltd., an Israeli corporation and a major shareholder of our company (“Citrine S A L”), and a group of related persons and entities (the “Citrine S A L Group”) entered into a Common Stock Purchase Agreement (the “Citrine S A L Group Agreement”), which was later amended and restated on February 23, 2020 (the “AR Citrine S A L Group Agreement”). Pursuant to the AR Citrine Agreement, TechCare agreed to sell Citrine S A L Group and its group of business partners, up to an aggregate of 893,699,276 shares of TechCare’s common stock, representing approximately 95% of TechCare’s fully diluted capital, in two tranches, with the initial tranche of up to 452,063,196 shares of the TechCare’s common stock to be sold conditioned upon (i) the resignation of the then members of its board of directors, (ii) the appointment of the current members of the Board, and (iii) the transfer of the TechCare’s signatory rights to all Company bank accounts in the name of Citrine S A L Group’s nominee. In addition, the AR Citrine S A L Group Agreement provides for the second tranche of up to the remaining number of shares of common stock that will result in Citrine S A L Group, owning 95% of the TechCare’s fully diluted capital stock, to be sold conditioned upon the filing of the Company’s previously approved amendment to its First Amended and Restated Certificate of Incorporation to increase the Company’s authorized capital. Shares of the Company were issued and sold in accordance with this amended agreement to Citrine S A L Group on February 27, 2020, March 5, 2020, and, after the Company amended its Certificate of Incorporation to increase its authorized share capital, on November 11, 2020.

ITEM 1A. RISK FACTORS

You should consider carefully the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K. If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. The risks described below are not the only risks facing the Company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, results of operations and prospects.

Risks Related to our Financial position

We have a limited operating history and if we are not successful in continuing to grow our business, then we may have to scale back or even cease our ongoing business operations.

We have been operating in our current business since March 2020. Accordingly, our operations are subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. As of December 31, 2023, we have not generated revenues and there can be no assurance that we will ever be profitable. If our business plan is not successful, and we are not able to operate profitably, investors may lose some or all of their investment in our company.

We expect to incur losses for the foreseeable future as we continue the implementation of our business plan. If we fail to generate revenue and eventually become profitable, or if we are unable to fund our continuing losses, our shareholders could lose all or a substantial part of their investment.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never achieve, we expect to finance our cash needs primarily through public or private equity offerings, debt financings or through the establishment of possible strategic alliances. We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are not able to secure additional equity funding when needed, we may have to delay, reduce the scope of, or eliminate, development programs or future commercialization initiatives.

In addition, any additional equity funding that we do obtain will dilute the ownership held by our existing security holders. Any debt financing that we obtain in the future could involve substantial restrictions on activities and creditors could seek a pledge of some or all of our assets. We have not identified potential sources for such financing that we will require, and we do not have commitments from any third parties to provide any future debt financing. If we fail to obtain funding as needed, we may be forced to cease or scale back operations, and our results, financial condition and stock price would be adversely affected.

We may never achieve profitability.

We are unable to accurately predict the timing or amount of future revenue or expenses or when, or if, we will be able to achieve profitability. We have financed our operations primarily through issuance and sale of equity and equity linked securities. The size of our future net losses will depend, in part, on the rate of growth or contraction of our expenses and the level and rate of growth, if any, of our revenues. We expect to continue to expend substantial financial and other resources on, among other things:

- sales and marketing, including expanding our indirect sales organization and marketing programs;

- planning and conducting clinical trials to obtain regulatory approval/clearance for the commercialization of our products;
- expansion of our operations and infrastructure, both domestically and internationally; and
- general administration, including legal, accounting and other expenses related to being a public company.

If we are unable to successfully commercialize our products or if revenue from any of our products that receives marketing approval is insufficient, we will not achieve profitability. Furthermore, even if we successfully commercialize our products, our planned investments may not result in increased revenue or growth of our business. We may not be able to generate net revenues sufficiently to offset our expected cost increases and planned investments in our business. As a result, we may incur significant losses for the foreseeable future and may not be able to achieve and sustain profitability. If we fail to achieve and sustain profitability, then we may not be able to achieve our business plan, fund our business or continue as a going concern.

Currency exchange rate fluctuations affect our results of operations, as reported in our financial statements.

We incur expenses in U.S. Dollars and in NIS, but our functional currency is the U.S. dollar. However, a significant portion of our headcount-related expenses, consisting principally of personnel expenses as well as R&D consulting services, leases and certain other operating expenses, are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS. Furthermore, we anticipate that a material portion of our expenses will continue to be denominated in NIS.

In addition, increased international sales in the future may result in greater foreign currency denominated sales, increasing our foreign currency risk. If we are not able to successfully hedge against the risks associated with currency fluctuations, our financial condition and results of operations could be adversely affected, which could adversely affect our financial condition and results of operations.

Risks Related to Our Business and Industry and Regulatory Process

Our failure to manage growth effectively could impair our business.

Our business strategy envisions a period of rapid growth that may put a strain on our administrative and operational resources and funding requirements. Our ability to effectively manage growth will require us to continue to expand the capabilities of our operational and management systems and to attract, train, manage, and retain qualified personnel. There can be no assurance that we will be able to do so, particularly if losses continue and we are unable to obtain sufficient financing. If we are unable to successfully manage growth, our business, prospects, financial condition, and results of operations could be adversely affected.

Our plans are dependent upon key individuals and the ability to attract qualified personnel.

In order to execute our business plan, we will be dependent on Ora Elharar Soffer, our Chief Executive Officer and Director. The loss of Ms. Elharar Soffer could have a material adverse effect upon our business prospects. Moreover, our success continues to depend to a significant extent on our ability to identify, attract, hire, train and retain qualified professional, creative, technical and managerial personnel.

Competition for such personnel is intense, and there can be no assurance that we will be successful in identifying, attracting, hiring, training, and retaining such personnel in the future. If we are unable to hire, assimilate and retain qualified personnel in the future, our business, operating results, and financial condition could be materially adversely affected. We may also depend on third party contractors and other partners to assist with the execution of our business plan. There can be no assurance that we will be successful in either attracting and retaining qualified personnel or creating arrangements with such third parties. The failure to succeed in these endeavors would have a material adverse effect on our ability to consummate our business plans.

Failure in the Company's information technology systems, including cybersecurity attacks or other data security incidents, could significantly disrupt its operations.

Our operations depend, in part, on the continued performance of our information technology systems. Our information technology systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Failure of our information technology systems could adversely affect our business, profitability, and financial condition. Although we have information technology security systems, a successful cybersecurity attack or other data security incident could result in the misappropriation and/or loss of confidential or personal information, create system interruptions, or deploy malicious software that attacks our systems. It is possible that we do not notice a cybersecurity attack for some period. The occurrence of a cybersecurity attack or incident could result in business interruptions from the disruption of the Company's information technology systems, or negative publicity resulting in reputational damage with its shareholders and other stakeholders and/or increased costs to prevent, respond to or mitigate cybersecurity events. In addition, the unauthorized dissemination of sensitive personal information or proprietary or confidential information could expose the Company or other third parties to regulatory fines or penalties, litigation, and potential liability, or otherwise harm its business.

We may grow through mergers or acquisitions, which strategy may not be successful or, if successful, may produce risks in successfully integrating and managing the merged companies or acquisition and may dilute our stockholders.

As part of our growth strategy, we may pursue mergers and acquisitions of entities and/or assets that we believe will have synergistic and/or other value to us. We currently have no agreements or understanding to merge with or acquire any entity and/or assets, and may not find suitable merger or acquisition opportunities. Mergers and acquisitions involve numerous risks, any of which could harm our business, including, without limitation:

- difficulties in integrating the operations, technologies, existing contracts, accounting processes and personnel of the target and realizing the anticipated synergies of the combined businesses.
- difficulties in supporting and transitioning customers of the target company.
- diversion of financial and management resources from existing operations.
- the price we pay or other resources that we devote may exceed the value we realize, or the value we could have realized if we had allocated the purchase price or other resources to another opportunity.
- entering new markets or areas in which we have limited or no experience.
- potential loss of key associates and customers from either our business or the target's business.
- assumption of unanticipated problems or latent liabilities of the target; and

- the inability to generate sufficient revenue to offset acquisition costs.

Mergers and acquisitions also frequently result in the recording of goodwill and other intangible assets, which are subject to potential impairments in the future and that could harm our financial results. In addition, if we finance acquisitions by issuing convertible debt or equity securities, our existing stockholders may be diluted, which could affect the market price of our common shares. As a result, if we fail to properly evaluate mergers, acquisitions or investments, we may not achieve the anticipated benefits of any such merger or acquisition, and we may incur costs in excess of what we anticipate. The failure to successfully evaluate and execute mergers, acquisitions or investments or otherwise adequately address these risks could materially harm our business, financial condition and results of operations.

We may be subject to product liability claims which may have a material adverse effect on our business

Through our subsidiary Cannovation Center Israel, we developed product line containing natural and herbal formulas based on researched and science-based plants, herbal extracts, mushrooms and other natural ingredients. The product lines are manufactured in Israel in iBOT Israel Botanicals Ltd, iBOT being a related party with which we have manufacturing and strategic cooperation agreements, under a GMP-certified manufacturing facility approved by the Israeli Ministry of Health. In the future we plan to develop additional products which may be subject to different regulations for manufacturing, depending on country and product. As these products are designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused significant loss or injury. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our clients and consumers generally, and could have a material adverse effect on the business, financial condition and operating results of the Company. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

Product recalls may harm our reputation.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by the Company were subject to recall, the image of that product and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by the Company and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the operations of the Company by any applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Our officers and directors may be subject to conflict of interest.

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of certain directors and the officers who may from time-to-time deal with people, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these people could conflict with those of the Company. In addition, from time to time, these people may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

We face significant competition in the market.

We face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company

We may not be able to obtain adequate insurance coverage and in the case of liability the lack of adequate insurance may have a material adverse effect on our business.

We have insurance to protect our assets, operations and employees. While we believe our insurance coverage addresses all material risks to which we may be exposed and is adequate and customary in our current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Research and development and product obsolescence may impair our ability to compete in our target market.

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products characterize our business. The introduction of new products, embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render our planned product offerings obsolete, less competitive or less marketable. The process of developing our planned products is complex and requires significant continuing costs, development efforts and third-party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect our business, financial condition and operating results. The Company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of the Company's proprietary technology entails significant technical and business risks. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

It may be difficult to enforce a judgment of a U.S. court against us and our executive officers and directors in Israel or the United States, to assert U.S. securities laws claims in Israel or to serve process on our executive officers and directors.

While we were incorporated in Delaware, all of our executive officers and directors reside outside of the United States, and all of our assets and most of the assets of these persons are located outside of the United States. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not be enforced by an Israeli court. It also may be difficult for you to effect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Additionally, it may be difficult for an investor, or any other person or entity, to initiate an action with respect to U.S. securities laws in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court.

We intend to rely on third parties to conduct clinical trials (if needed). If these third parties do not meet our deadlines or otherwise conduct the trials as required, our clinical trials programs could be delayed or unsuccessful and we may not be able to obtain regulatory approval for or commercialize our product candidates when expected or at all.

We may conduct clinical trials on our products. We do not have the ability to conduct all aspects of our clinical trials ourselves. We may rely upon medical institutions, clinical investigators and contract research organizations, or CROs, and consultants to conduct these trials in accordance with our clinical protocols. Our future CROs, investigators and other third parties play a significant role in the conduct of these trials and the subsequent collection and analysis of data from the clinical trials.

There is no guarantee that any CROs, investigators and other third parties upon which we rely for administration and conduct of clinical trials will devote adequate time and resources to such trials or perform as contractually required. If any of these third parties fail to meet expected deadlines, fail to adhere to our clinical protocols or otherwise perform in a substandard manner, our clinical trials may be extended, delayed or terminated. If any of these clinical trial sites terminate for any reason, we may experience the loss of follow-up information on patients enrolled in our ongoing clinical trials unless we are able to transfer the care of those patients to another qualified clinical trial site. In addition, principal investigators for any clinical trials we conduct may serve as scientific advisors or consultants to us from time to time and receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, the integrity of the data generated at the applicable clinical trial site may be jeopardized.

We will be subject to regulation of plant-based nutritional supplements, botanicals, cosmetics and pharmaceuticals.

Our products, solutions and Green Vision Center activities are subject to rules and regulations pertaining to plant-based nutritional supplements, botanicals, cosmetics, and pharmaceuticals, as applicable. The company cannot predict the time required to secure all appropriate regulatory approvals or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Risks Related to our Intellectual Property

If we are unable to obtain and maintain intellectual property protection for our product offerings, or if the scope of the intellectual property protection we obtain is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be impaired.

Our ability to compete successfully will depend in part on our ability to obtain and enforce patent protection for our products, preserve our trade secrets and operate without infringing the proprietary rights of third parties. Filing, prosecuting, and defending patents on our products and other technologies in all countries throughout the world would be prohibitively expensive and time-consuming, and the laws of some foreign countries may not protect our rights to the same extent as the laws of the United States. We may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patents or patent applications at a reasonable cost or in a timely manner, or in all jurisdictions, or at all, or may choose not to do any of the foregoing.

Moreover, while we have applied for a patent that protect aspects of our products in the United States but our products are not covered by any patent protection, and we cannot assure you that our intellectual property position, will not be challenged or that all patents for which we have applied will be issued on a timely basis or at all, or that such patents will protect our technology, in whole or in part, or be issued in a form that will provide us with meaningful protection, prevent competitors from competing with us, or otherwise provide us with any competitive advantage. Although patents are presumed valid and enforceable upon issuance, a patent may be challenged as to its inventorship, scope, validity, or enforceability.

Patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the invention claimed in our pending patent application, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are uncertain. Given the amount of time required for the development, testing, and regulatory review of new products, patents protecting such products might expire before or shortly after such products are commercialized. As a result, any patent portfolio we develop may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

We may be sued by third parties for alleged infringement of their proprietary rights, which could adversely affect our business, results of operations and financial condition.

There is often litigation between competing companies relying on their respective technologies based on allegations of infringement or other violations of intellectual property rights. Our future success depends, in part, on not infringing the intellectual property rights of others. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. Any such claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering some portion of our products, or require that we comply with other unfavorable terms. We may also be obliged to indemnify our customers or channel partners in connection with any such litigation and to obtain licenses or modify our products, which could further exhaust our resources. Patent infringement, trademark infringement, trade secret misappropriation and other intellectual property claims and proceedings brought against us, whether successful or not, could harm our brand, business, results of operations and financial condition. Litigation is inherently uncertain, and any judgment or injunctive relief entered against us or any adverse settlement could negatively affect our business, results of operations and financial condition. In addition, litigation can involve significant management time and attention and be expensive, regardless of the outcome. During the course of litigation, there may be announcements of the results of hearings and motions and other interim developments related to the litigation. If securities analysts or investors regard these announcements as negative, the trading price of our common stock may decline.

We may become involved in lawsuits to protect or enforce our patents, which could be expensive, time-consuming and unsuccessful.

If we attempt enforcement of our patents or other intellectual property rights, we may be subject or party to claims, negotiations or complex, protracted litigation. These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our solutions or business operations, or invalidate or render unenforceable our intellectual property

Intellectual property disputes and litigation, regardless of merit, can be costly and disruptive to our business operations by diverting attention and energies of management and key technical personnel, and by increasing our costs of doing business. Such litigation, regardless of its success, could seriously harm our reputation with our channel partners, business partners and patients and in the industry at large. Some of our competitors may be able to sustain the costs of complex patent or intellectual property litigation more effectively than we can because they have substantially greater resources. Any of the foregoing could adversely affect our operating results.

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 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. The ongoing war in Israel, which began in October 2023, has created a complex and volatile geopolitical and security environment. This conflict involving sustained hostilities in multiple regions, including the southern and northern borders poses several risks to the Company's current and planned operations in Israel, including:

- **Operational Disruption:** Armed conflict and heightened security measures may disrupt infrastructure, workforce availability, and supply chains, particularly in areas where the Company's facilities or partners operate.
- **Construction and Project Delays:** The Company is in the process of establishing an advanced manufacturing and innovation center in southern Israel. Ongoing hostilities and regional instability may result in delays in construction timelines, regulatory approvals, and deployment of key resources.
- **Insurance, Costs, and Logistics:** Heightened risk may result in increased insurance premiums, higher costs for security and logistics, and limited access to certain suppliers or service providers operating in affected regions.
- **Physical Security and Force Majeure:** Prolonged conflict increases the risk of damage to physical assets or interruptions to normal operations due to force majeure events, including missile attacks or military activity in proximity to the Company's facilities.

Despite these risks, the Company maintains contingency plans, maintains close coordination with governmental authorities, and is strategically aligned with national defense priorities — factors which are expected to mitigate long-term adverse effects.

Risks Related Ownership of Our Securities

A certain group of the Company's stockholders may exert significant influence over its affairs, including the outcome of matters requiring stockholder approval.

Currently, a certain group of stockholders, including our Chairperson and Chief Executive Officer, Ora Elharar Soffer (directly and through Beezhome Technologies Ltd and Citrine S A L Investment & Holdings Ltd) and others, collectively own a majority of the issued and outstanding shares of the Company. As a result, such individuals will have the ability, acting together, to control the election of the Company's directors and the outcome of corporate actions requiring stockholder approval, such as: (i) a merger or a sale of the Company, (ii) a sale of all or substantially all of its assets, and (iii) amendments to its certificate of incorporation. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to the Company's other stockholders and be disadvantageous to the Company's stockholders with interests different from those individuals. Certain of these individuals also have significant control over the Company's business, policies and affairs as officers or directors of the Company. Therefore, you should not invest in reliance on your ability to have any control over the Company.

As of the date of this filing, our executive officers and directors, in the aggregate, beneficially own approximately 35.3% of our outstanding common stock as of the date of this filing. As a result, these people, acting together, would be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors, any merger, consolidation, sale of all or substantially all of our assets, or other significant corporate transactions.

You may experience future dilution as a result of future equity offerings.

Our Amended and Restated Articles of Incorporation authorize the issuance of a maximum 1,500,000 shares of common stock. Any additional financing effected by us may result in the issuance of additional securities without stockholder approval and the substantial dilution in the percentage of common stock held by our then existing stockholders. In addition, we have reserved 180,000,000 shares of common stock for issuance under the 2018 Equity Incentive Plan. The issuance of such additional shares of common stock, or securities convertible or exchangeable into common stock, may cause the price of our common stock to decline. Additionally, if all or a substantial portion of these shares are resold into the public markets then the trading price of our common stock may decline.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

We currently do not have and may never obtain research coverage from securities analysts. If no securities analysts commence coverage of our company, or if industry analysts cease coverage of our company, the trading price for our stock could be materially and adversely impacted. In the event we obtain securities analyst coverage, if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price may be materially and adversely impacted. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

If the price of our common stock fluctuates significantly, your investment could lose value.

Our common stock is quoted on the OTC, under the symbol “CTGL,” and, to date, has traded on a limited basis. We have applied to list our common stock on Nasdaq under the symbol “CTGL.” We cannot assure you that an active public market will continue for our common stock. If an active public market for our common stock does not continue, the trading price and liquidity of our common stock will be materially and adversely affected. If there is a thin trading market or “float” for our stock, the market price for our common stock may fluctuate significantly more than the stock market as a whole. Without a large float, our common stock would be less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In addition, in the absence of an active public trading market, investors may be unable to liquidate their investment in us. Furthermore, the stock market is subject to significant price and volume fluctuations, and the price of our common stock could fluctuate widely in response to several factors, including, but not limited to:

- our quarterly or annual operating results;
- changes in our earnings estimates or failure to accurately forecast and appropriately plan our expenses;
- failure to achieve our growth expectations;
- failure to attract new customers or retain existing customers;
- the effect of increased or variable competition on our business;
- additions or departures of key or qualified personnel;
- failure to adequately protect our intellectual property;
- costs associated with defending claims, including intellectual property infringement claims and related judgments or settlements;
- changes in governmental or other regulations affecting our business;
- our compliance with governmental or other regulations affecting our business; and
- changes in global or regional industry, general market, or economic conditions.

The stock market has experienced extreme price and volume fluctuations in recent years that have significantly affected the quoted prices of the securities of many companies, including companies in our industry. The changes may not be possible to predict and often appear to occur without regard to specific operating performance. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company and these fluctuations could materially reduce our stock price.

Delaware law contains provisions that could discourage, delay, or prevent a change in control of the Company, prevent attempts to replace or remove current management and reduce the market price of its common stock.

Provisions in the Company’s certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving the Company that its stockholders may consider favorable. For example, the Company is subject to the anti-takeover provisions of the Delaware General Corporation Law (“DGCL”). Under these provisions, if anyone becomes an “interested stockholder,” the Company may not enter into a “business combination” with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change in control of

the Company. An “interested stockholder” is, generally, a stockholder who owns 15% or more of the Company’s outstanding voting stock or an affiliate of the Company who has owned 15% or more of the Company’s outstanding voting stock during the past three years, subject to certain exceptions as described in the DGCL.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock nor are we under any obligation to declare or pay such cash dividends. We currently intend to retain any future earnings to fund our operations and the development and growth of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Our future ability to pay cash dividends on our capital stock may be limited by any future debt instruments or preferred securities. As a result, investors may only receive a return on their investment in our common stock if the market price of our common stock increases to a price above the price paid for them and then sell such shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We have processes in place for assessing, identifying, and managing material risks from cybersecurity threats. Our risk management activities are overseen by senior management and are integrated into our overall enterprise risk management framework. As part of this process, management identifies and assesses internal and external cybersecurity risks and the potential impact of such risks on our business.

We utilize external information technology consultants to provide technical support for our systems and to advise on security matters. Risks associated with third-party service providers who have access to our data are evaluated during the vendor selection process.

To date, we have not experienced any cybersecurity incidents that have materially affected our business strategy, results of operations, or financial condition. However, we face a variety of cybersecurity threats that are reasonably likely to materially affect our company in the future, which are further described in “Item 1A. Risk Factors.”

Cybersecurity Governance

1. Board of Directors’ Oversight

Our Board of Directors is responsible for the oversight of risks from cybersecurity threats. As the Company does not have a separately constituted audit committee, the entire Board of Directors fulfills this function. The Board receives reports from management on an as-needed basis regarding information technology and security matters, allowing it to monitor the Company’s risk management processes.

2. Management’s Role

Our senior management is responsible for the day-to-day assessment and management of our cybersecurity risks. This function is led by our Chief Executive Officer and Chief Financial Officer, who have overall responsibility for the Company’s risk management.

While our executive officers are not cybersecurity experts, they have extensive experience in business management and corporate governance. For specific technical expertise, management leverages and consults with our external information technology consultants to advise on threat identification, prevention, and other cybersecurity matters. In the event of a cybersecurity incident, management would be responsible for implementing response procedures and reporting the matter to the Board of Directors.

ITEM 2. PROPERTIES

A description of the premises we utilize in several of our facilities is as follows:

Entity	Property Description
Citrine Global, Corp	Our principal office consists of leased premises and is located at 5 Golden Beach, Caesarea 3088900, Israel
Cannovation Center Israel Ltd.	125,000 square feet (approximately 11,687 square meters) or approximately three acres of industrial land in Yerucham, a city in southern Israel, where we intend to build Operational Production and Innovation Center

We believe that our facilities are generally in good condition and suitable to carry on our business. We also believe that, if required, suitable alternative or additional space will be available to us on commercially reasonable terms

ITEM 3. 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 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock is quoted in the United States on the OTC market under the ticker symbol "CTGL."

We have applied to list our common stock on the Nasdaq Capital Market. No assurance can be given that our application will be approved or that a trading market will develop.

Holders of our Common Stock

As of December 31st, 2023, the Company had 120 registered stockholders holding 973,704,039 shares of common stock; and 1,234,185,009 as of August 31st 2025.

Dividends

Since the Company's inception, it has not declared nor paid any cash dividends on its capital stock and the Company does not anticipate paying any cash dividends in the foreseeable future. Its current policy is to retain any earnings in order to finance its operations. Its Board of directors will determine future declarations and payments dividends, if any, in light of the then-current conditions it deems relevant and in accordance with applicable corporate law.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides certain aggregate information with respect to the Company's shares of common stock that as of December 31, 2023 were issuable under its equity compensation plans in effect as of December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted-average exercise price of outstanding options, warrants and rights (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) (3)
Equity compensation plans approved by security holders	122,529,342	\$ 0.029	57,470,658
Equity compensation plans not approved by security holders	-	-	-
Total	122,529,342	\$ 0.029	57,470,658

(1) Represents shares of common stock issuable under our 2017 and 2018 Employee Incentive Plan and upon exercise of outstanding options to purchase 122,529,342 shares of common stock.

(2) The weighted average remaining term for the expiration of remaining stock options is 1.99 years.

(3) Represents shares of common stock available for future issuance under equity compensation plans. "Equity Compensation Plan" under Item 11 hereof contains a description of the material features of the 2017 Employee Incentive Plan and the 2018 Stock Incentive Plan.

Recent Sales of Unregistered Securities

During the fiscal year ended December 31, 2023, the Company issued the following securities which were not registered under the Securities Act of 1933, as amended. The Company relied on the exemption from registration provided by Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

On January 12, 2023, the Company issued 9,259,250 shares of common stock as consideration for the purchase of a 10% equity interest in MyPlant Bio Ltd.

On March 7, 2023, the Company issued 3,232,016 shares of common stock as a commitment fee in connection with a credit facility agreement.

On May 25, 2023, the Company issued 9,000,000 shares of common stock to a consultant for investor and public relations services.

On November 28, 2023, the Company issued 8,000,000 shares of common stock to a consultant for other services.

In addition to the above, the Company issued other shares during the period as stock-based compensation to employees and service providers.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide information necessary to understand our audited consolidated financial statements for the fiscal years ended December 31, 2023 and December 31, 2022 and highlight certain other information which, in the opinion of management, will enhance a reader's understanding of our financial condition, changes in financial condition and results of operations. In particular, the discussion is intended to provide an analysis of significant trends and material changes in our financial position and the operating results of our business during the year ended December 31, 2023, as compared to the fiscal year ended December 31, 2022. This discussion should be read in conjunction with our consolidated financial statements for the fiscal years ended December 31, 2023, and December 31, 2022, and related notes included elsewhere in this Annual Report on Form 10-K. These historical financial statements may not be indicative of our future performance. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains numerous forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks described throughout this filing, particularly in "Item 1A. Risk Factors."

Significant Recent Events

(i) On January 30, 2023 the Company and each of Citrine High Tech 7 LP ("LP 7"), Citrine 8 LP ("LP 8") and Citrine 9 LP ("LP 9"; together with LP 7 and LP 8, the "Lending LP"), the lending entities under and parties to the Convertible Note Purchase Agreement entered into by the Company and several related parties in April 2020, as subsequently amended (the "CL Agreement"), have entered into an agreement (the "Agreement") pursuant to which they have agreed to extend the maturity date on all outstanding convertible loans in the principal amount of \$1,800,000 under the CL Agreement to May 31, 2024. LP 7 also agreed to extend to May 31, 2024, the note in the principal amount of \$80,000

In addition, under the Agreement the Company and the Lending LPs have also agreed that if the Company's common stock is listed on the Nasdaq Stock Market, then the Company, in its sole discretion, shall determine to convert, in whole or in part, the outstanding amount of the above mentioned notes to shares of the Company's common stock at a conversion price equal to the price paid by the public investors for the common stock in such offering.

(ii) On January 17, 2023, the Board of Citrine Global, Corp., a Delaware corporation (the "Company"), appointed Ms. Ora Elharar Soffer to serve as president of the Company. Ms. Elharar Soffer has been continuously serving as the Company's Chief Executive Officer since May 7, 2020, and as a Company director since February 21, 2020 and as Chairperson of the Board since March 3, 2020.

(iii) On March 5, 2023, the Board of the Company provided that in the event that the Company's stock is listed on the Nasdaq Stock Exchange, then one half of the awarded and unvested option grants made in each of August 2021 and in August 2022 to our current officers, directors and specific service providers, will immediately vest at such time. In addition, the Board is also determined to provide that following the termination of services by our current officers, directors and specific service providers, for any reason other than cause, they 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. Previously, on November 13, 2022, the board of directors ratified the Stock Option Agreements for the previously disclosed stock options grants that were awarded in each of August 2021 and in August 2022 to our current officers and directors and specific service providers, to provide that the exercise price of the options that were awarded to date, shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. Any and all tax implication of this decision shall rest solely with the optionee.

(iv) On March 6, 2023 Cannovation, the Company's majority owned subsidiary and S.R. Accord Ltd., an Israeli public 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 repayment of the loan. All amounts drawn under the Credit Facility will bear interest at a monthly rate of 1.7% and. 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 Lender a first priority lien on its rights to the 125,000 sq ft (11,687 sqm) of industrial land in Yerucham, a city in southern Israel which Cannovation acquired in February of 2022(the "Premises") to build the Green Vision Center Israel with the support of the government of Israel. 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, CTGL Citrine Global Israel Ltd., a wholly owned subsidiary of Citrine Global, (ii) Beezhome Technologies Ltd. an entity wholly owned by Ora Elharar Soffer, the Chief Executive Officer of Citrine Global 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, are providing guarantees for the repayment of any amounts that may be owing to Lender under the Credit Facility. Cannovation and the Company has agreed to indemnify Ms. Elharar Soffer and Mr. Ben Ishay for any losses they incur as a result of the guarantee.

On March 7, 2023, the Company issued to the Lender 2,154,677 shares of the Company's common stock a commitment fee in respect of the provision of the Credit Facility. As of the date of this report, Cannovation utilized \$50,000 out of the credit line. Ilan Ben Ishay and Ms. Elharar Soffer and Mr. Ben Ishay in their personal capacities in are provided guarantees to Lender for the repayment of this amounts. As of December 31, 2023, approximately \$182,000 had been drawn under this Credit facility.

(v) On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms. Ora Elharar Soffer, the Company's Chairperson, CEO and President, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms. Elharar Soffer is entitled will increase from \$20,000 to \$25,000 (in invoice plus VAT if applicable) upon a listing of the Company's stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company's board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by Mr Elharar Soffer, shall continue in full force and effect so long as Ms. Elharar Soffer serves as *either* director and /or executive officer (iii) all previous awards and bonuses previously made to her were affirmed and (iv) Ms. Elharar Soffer has agreed to defer compensation due to her until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company's securities, at which time all of the outstanding consulting fees from March 2020 and all reimbursement for related social benefits would be paid to her. In addition, The amendment also provides that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for the Consultant that takes into consideration Ms. Elharar Soffer's role in founding and leading the Company and that such compensation package shall be competitive with compensation programs for top senior executives/founders generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executive and that Ms. Elharar Soffer shall receive the most extensive of such compensation terms amongst senior management.

(vii) On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms Ilanit Halperin, the Company's director and CFO, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms. Elharar Soffer is entitled will increase from \$7,500 to \$10,000 (in invoice plus VAT if applicable) upon a listing of the Company's stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company's board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by Mr Elharar Soffer ,shall continue in full force and effect so long as Ms. Halperin serves as *either* director and /or executive officer, (iii) all previous awards and bonuses previously made to her were affirmed and (iv) s. has agreed o defer compensation due to her until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company's securities, at which time all of the outstanding consulting fees from March 2020 and all reimbursement for related social benefits would be paid to her. In addition, The Company undertakes that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for Ms. Halperin that shall be competitive with compensation programs for senior executives generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executives.

On January 12, 2023, the Company issued 9,259,250 shares of its common stock to acquire a 10% equity stake in MyPlant Bio Ltd., based on a \$4.45 million valuation. The Company held options to acquire up to an additional 45% of MyPlant's equity, which were extended on September 28, 2023 to expire on December 31, 2023. The consideration for these options was to be paid in Company shares and/or cash, subject to adjustments based on third-party valuation. As of December 31, 2023, the Company did not exercise the options, and they expired unexercised.

On November 19, 2023, the Company entered into a binding letter of intent (the "Agreement") with iBOT Israel Botanicals Ltd. ("iBOT") pursuant to which the Company will receive an 19% equity stake in iBOT on a fully diluted basis in consideration for which the Company will issue to iBOT 70,370,370 shares of the Company's common stock. The Agreement also granted the Company an option for an additional six months, exercisable through June 30, 2024 to increase the Company's shareholdings in iBOT to a total of 51% of iBOT's equity on a fully diluted basis. The consideration for the increased equity position would be paid by a combination of shares and cash, as agreed by the Company and iBOT, provided that such consideration shall include a cash component that will be sufficient to cover iBOT's operating budget for a 24 month period. iBOT is authorized to determine whether the Company's exercise of the option, if any, will be through the issuance by iBOT of new shares to the Company or through the purchase by the Company of the requisite number of shares from existing iBOT shareholders.

It was determined that the purchase price for the iBOT equity was based on the discounted pre-company valuation of iBOT prepared by an independent third party valuator commissioned by the Company of \$10,000,000. It was also agreed that all share issuances by the Company to iBOT would be calculated a per share price of \$0.027, representing then the highest closing price of the Company's common stock during the 30-day period preceding the authorization of the Company's board of directors of the transaction.

On December 31, 2023, the Company executed and consummated a Share Purchase and Option Agreement with iBOT and its shareholders. Under the agreement, Citrine Global will issue 70,370,370 shares of common stock in exchange for a 19% fully diluted equity interest in iBOT.

The agreement included an option exercisable through June 30, 2024, to increase the Company's stake to 51%, subject to additional consideration in the form of shares and cash to cover iBOT's pre-approved 24-month operating budget. The agreement also contained a no-shop clause and standard representations, warranties, and indemnification provisions.

In June 2024, and following a review of the Company's strategic priorities, the Board determined not to exercise the option, which has since expired, leaving the Company with its current 19% holding in iBOT.

Convertible Loans

On November 14, 2023, the holders of the convertible loans issued by Citrine High Tech 7 LP, Citrine Biotech 8 LP, and Citrine Biotech 9 LP (collectively, the "LPs") entered into binding letters of intent pursuant to which the LPs agreed to extend the maturity date of the convertible loans from May 2024 to December 31, 2024. The consideration for the extension was the Company's agreement to adjust the terms of the notes held by the LPs consistent with the terms of a subsequent financing that Citrine entered into in March 2023. The adjusted terms and conditions relating to the Note shall be memorialized in a written instrument which may include terms and conditions as Citrine Global and the LPs shall agree to

Subsequent 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.

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 Credit Facility 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 Credit Facility was increased to NIS 1,000,000 (approximately \$280,000), with all guarantees and collateral remaining in place.

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). 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. The warrants are exercisable by December 31, 2025, or upon uplisting to a national stock exchange, whichever comes first.

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 December 31, 2023.

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 including.

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

Results of Operations

Year ended December 31, 2023, as compared to the year ended December 31, 2022

The following table presents our results of operations for the years ended December 31, 2023 and 2022

	Year Ended December 31,	
	2023	2022
	U.S. Dollars in thousand	
Revenues	-	-
Cost of sales	-	-
Gross loss	-	-
Research and development expenses	(96)	(120)
Marketing, general and administrative expenses	(2,202)	(1,866)
Operating loss	(2,298)	(1,986)
Other financing expenses, net	(807)	(659)
Net loss	(3,105)	(2,645)

Our research and development (R&D) expenses for the year ended December 31, 2023, were \$96,000, a slight decrease from \$120,000 in the prior year. These expenses consist primarily of fees for compensation to officers involved in R&D activities.

Our marketing, general and administrative (G&A) expenses for the year ended December 31, 2023, were \$2,202,000, an increase from \$1,866,000 in 2022. This increase is primarily attributable to non-cash share-based compensation expenses related to consulting and investor relations services, as well as costs associated with amendments to executive consulting agreements made in March 2023.

Our financing expenses, net for the year ended December 31, 2023, were \$807,000, compared to \$659,000 in 2022. The increase was primarily due to a non-cash expense of \$291,000 recognized upon the expiration of the Company's option to acquire additional shares in MyPlant Bio Ltd., which was partially offset by a decrease in expenses related to convertible loan terms.

As a result of the foregoing, our net loss increased to \$3,105,000 for the year ended December 31, 2023, from a net loss of \$2,645,000 in 2022.

Liquidity and Capital Resources

As of December 31, 2023, we had a cash balance of \$7,000 and a working capital deficiency of \$2,461,000. This compares to a cash balance of \$77,000 and a working capital deficiency of \$1,620,000 as of December 31, 2022. The decrease in our working capital was primarily due to an increase in accrued compensation and other liabilities.

Net cash used in operating activities was \$199,000 for the year ended December 31, 2023, compared to \$567,000 in the prior year. The decrease in cash used, despite a larger net loss, was primarily due to significant non-cash expenses (such as share-based compensation and the MyPlant option expense) and an increase in accrued liabilities to related parties.

The following table provides a summary of operating, investing, and financing cash flows for the years ended December 31, 2023 and 2022 respectively:

	Year Ended	
	December 31, 2023	December 31, 2022
Net cash used in operating activities	(199,000)	(567,000)
Net cash provided by investment activities	—	11,000
Net cash provided by Financing Activities	130,000	360,000

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, the companies Cannovation Center Israel Ltd.(renamed 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.

Recently issued accounting pronouncements

Recently issued accounting pronouncements are described in the notes to our financial statements for the years ended December 31, 2023 and 2022, which are included within Item 8 in this annual report.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to our financial statements for the years ended December 31, 2023 and 2022 and which included within Item 8 in this annual report. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. We consider the following accounting policies to be critical to our financial statements because they require the most difficult, subjective, or complex judgments.

Share-Based Compensation: We measure and recognize compensation expenses for all stock option grants to employees, directors, and consultants based on the fair value of the award on the date of grant. The fair value is estimated using the Black-Scholes option-pricing model, which requires management to make significant assumptions regarding volatility, the expected life of the option, and the risk-free interest rate. These assumptions are based on historical data and management's judgment, and changes to these assumptions could have a material impact on the amount of share-based compensation expense recorded.

Investments Valued Under the Measurement Alternative: Our long-term investments in privately held companies, such as Nanomedic Technologies Ltd., MyPlant Bio Ltd., and iBOT Israel Botanicals Ltd., are carried at cost, less impairment, and adjusted for observable price changes. Due to the absence of a readily determinable fair value for these investments, we periodically perform a qualitative assessment to identify any impairment. This assessment requires significant management judgment regarding the financial health and business prospects of these companies.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CITRINE GLOBAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

CITRINE GLOBAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023
IN U.S. DOLLARS IN THOUSANDS

TABLE OF CONTENTS

	Page
CONSOLIDATED FINANCIAL STATEMENTS:	
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Balance Sheets as of December 31, 2023 and 2022</u>	F-3
<u>Consolidated Statements of Operation and Comprehensive Loss for the years ended December 31, 2023 and 2022</u>	F-4
<u>Statements of Changes in Shareholders' Deficit for the years ended December 31, 2023 and 2022</u>	F-5
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022</u>	F-6
<u>Notes to Consolidated Financial Statements</u>	F-7 – F-43



Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a Street, PO Box 609
Tel Aviv 61006, Israel
+972 3 684 8000

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Citrine Global Corp

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Citrine Global Corp and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive loss, changes in shareholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Somekh Chaikin
Member Firm of KPMG International

We have served as the Company's auditor since 2022.

Tel Aviv, Israel
August 31, 2025

KPMG Somekh Chaikin, an Israeli partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

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

	December 31, 2023	December 31, 2022
Assets		
Current Assets		
Cash and cash equivalents	7	77
Prepaid expenses	236	88
Other current assets	15	20
T o t a l Current assets	258	185
Non-current assets		
Investments valued under the measurement alternative (Note 3)	2,010	894
Property and equipment, net (Note 4)	218	230
Total non-current assets	2,228	1,124
T o t a l assets	2,486	1,309
Liabilities and Shareholders' Deficit		
Current Liabilities		
Short term loan (Note 5)	182	-
Short term loan - related party (Note 5)	-	82
Accounts payable and accrued expenses	18	127
Accounts payable and accrued expenses – related parties	180	120
Accrued compensation – related parties	1,898	1,384
Accrued compensation	441	92
T o t a l current liabilities	2,719	1,805
Non-current liability		
Convertible component in convertible notes (Note 6)	40	161
Convertible notes – related parties (Note 6)	2,202	1,814
T o t a l liabilities	4,961	3,780
Stockholders' Deficit (Note 7)		
Common stock, par value \$0.0001 per share, 1,500,000,000 shares authorized at December 31, 2023 and 2022; 973,704,039 and 943,703,873 shares issued and outstanding at December 31, 2023 and 2022, respectively	97	94
Additional paid-in capital	25,359	23,248
Stock to be issued	1,458	474
Accumulated deficit	(29,507)	(26,402)
Accumulated other comprehensive income	118	115
T o t a l stockholders' deficit	(2,475)	(2,471)
T o t a l liabilities and stockholders' deficit	2,486	1,309

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

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

	Year ended December 31	
	2023	2022
Research and development expenses – related parties	(96)	(105)
Marketing, general and administrative expenses – related parties	(1,255)	(1,274)
Marketing, general and administrative expenses	(947)	(607)
Operating loss	(2,298)	(1,986)
Financing expenses, net:		
Expenses related to convertible loan terms – related parties	(451)	(637)
Expenses related to MY PLANT options	(291)	-
Other financing expenses	(65)	(22)
Financing expenses, net	(807)	(659)
Net loss attributable to Common stockholders	(3,105)	(2,645)
Loss per Common Stock (basic and diluted)	(*) (0.00)	(*) (0.00)
Basic weighted average number of shares of Common Stock outstanding	961,774,376	942,963,225
Comprehensive loss:		
Net loss	(3,105)	(2,645)
Other comprehensive income attributable to foreign currency translation	3	9
Comprehensive loss	(3,102)	(2,636)

(*) Less than \$0.01

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

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

	Common Stock		Additional	Stock	Accumulated	Accumulated	Total
	Stock	Amount	paid-in	to be	deficit	other	stockholders'
			Capital	issued		comprehensive	equity
						Income	(deficit)
BALANCE AT DECEMBER 31, 2021	942,568,006	94	22,073	44	(23,757)	106	(1,440)
CHANGES DURING THE YEAR ENDED							
DECEMBER 31, 2022:							
Issuance of shares	535,867	*	14	(14)	-	-	-
Stock based compensation to service providers	600,000	*	13	-	-	-	13
Share based compensation	-	-	774	-	-	-	774
Issuance of warrants	-	-	98	-	-	-	98
Warrants issued in connection with convertible notes	-	-	155	-	-	-	155
Modification of warrants in connection with convertible loan restructuring	-	-	283	-	-	-	283
Change in terms of convertible component in convertible notes	-	-	(162)	-	-	-	(162)
Commitment for issuance of fixed number of ordinary shares	-	-	-	444	-	-	444
Other comprehensive income	-	-	-	-	-	9	9
Net loss	-	-	-	-	(2,645)	-	(2,645)
BALANCE AT DECEMBER 31, 2022	943,703,873	94	23,248	474	(26,402)	115	(2,471)
CHANGES DURING THE YEAR ENDED							
DECEMBER 31, 2023:							
Issuance of shares for services	17,000,000	2	491	-	-	-	493
Issuance of shares under share purchase agreement	9,259,250	1	443	(444)	-	-	-
Issuance of shares for credit facility	3,232,016	*	123	-	-	-	123
Stock based compensation to service providers	508,900	*	9	21	-	-	30
Share based compensation	-	-	777	-	-	-	777
Warrants issued in connection with convertible notes	-	-	268	-	-	-	268
Commitment for issuance of fixed number of ordinary shares	-	-	-	1,407	-	-	1,407
Other comprehensive income	-	-	-	-	-	3	3
Net loss	-	-	-	-	(3,105)	-	(3,105)
BALANCE AT DECEMBER 31, 2023	973,704,039	97	25,359	1,458	(29,507)	118	(2,475)

(*) Less than 1 thousand

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

CITRINE GLOBAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Year ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(3,105)	(2,645)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2	2
Finance expenses, net	10	4
Financial expenses with respect to convertible notes and loans – related parties	451	637
Share-based compensation	1,078	787
Fair value adjustment of option to purchase MyPlant shares	291	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	246	(47)
Accounts payable and accrued expenses - related parties	1,255	1,274
Accounts payable and accrued expenses	(427)	(579)
Net cash used in operating activities	<u>(199)</u>	<u>(567)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(4)
Repayment of short-term loan granted to others	-	15
Net cash provided by investing activities	<u>-</u>	<u>11</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds under credit facility	130	80
Proceeds from issuance of convertible note	-	280
Net cash provided by financing activities	<u>130</u>	<u>360</u>
Effect of exchange rates on cash and cash equivalents	<u>(1)</u>	<u>(7)</u>
Net decrease in cash, cash equivalents	(70)	(203)
CASH, CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>77</u>	<u>280</u>
CASH, CASH EQUIVALENTS AT END OF THE YEAR	<u><u>7</u></u>	<u><u>77</u></u>

The accompanying notes are an integral part of the consolidated financial statement

CITRINE GLOBAL CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Year ended	
	December 31	
	2023	2022
Supplemental disclosure of cash flow information:		
Non-cash transactions:		
Fair value of convertible component in convertible loan	-	(51)
Warrants issued in connection with convertible notes	(268)	(155)
Extinguishment of convertible notes	(83)	(162)
Issuance of shares for credit facility	123	-
Investment in IBOT for a fixed number of shares	1,407	-
Investment in MyPlant for a fixed number of shares	-	444

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 NIS 3,000,000 (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 a 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, (i) 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.

On March 7, 2023, the Company issued to the Lender 2,154,677 shares of the Company’s common stock a commitment fee in respect of the provision of the Credit Facility.

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

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, the companies Cannovation Center Israel Ltd.(renamed 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 5 and 12D 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 CONSOLIDATED FINANCIAL STATEMENTS

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

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Citrine Global and its Israeli Subsidiaries, CTGL - Citrine Global Israel Ltd and Cannovation. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with U.S. 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 share-based compensation and fair value measurements of the convertible notes and MY PLANT and IBOT options. Actual results could differ from those estimates.

Functional Currency and Foreign Currency Translation and Transactions.

The currency of the primary economic environment in which the operations of the Company and its subsidiaries are conducted is the U.S. dollar.

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All exchange gains or losses arising from translation of these foreign currency transactions are included in net loss for the year.

Cash, cash equivalents and restricted cash

Cash equivalents are short-term highly liquid investments which include short term bank deposits (up to three months from date of deposit), that are not restricted as to withdrawals or use that are readily convertible to cash with maturities of three months or less as of the date acquired.

Property, plant and equipment, net

1. Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. When an asset is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition is reflected in the Statements of Operations and Comprehensive Loss.
2. Rates of depreciation:

	%
Computers and office equipment	7-33

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Warrant on the company's shares

When the Company becomes a party to freestanding convertible instruments, the Company first analyzes the provisions of ASC 480 in order to determine whether the instrument should be classified as a liability, with subsequent changes in fair value recognized in the statements of operations in each period. Warrants to purchase Ordinary Shares are not within the scope of ASC 480, and as such the Company further analyzes the provisions of ASC 815-40 in order to determine whether the contract should be classified within equity or classified as a liability, with subsequent changes in fair value recognized in the statements of operations in each period.

Under ASC 815-40, contracts that are not indexed to the Company's own stock are classified as liabilities recorded at fair value. The Company applies similar guidance to embedded conversion options that meet the definition of a derivative per ASC 815.

The Company reassesses the classification of a contract over its own equity under the guidance above at each balance sheet date. If classification changes as a result of events during the reporting period, the Company reclassifies the contract as of the date of the event that caused the reclassification. When a contract over own equity is reclassified from a liability to equity, gains or losses recorded to account for the contract at fair value during the period that the contract was classified as a liability are not reversed, and the contract is marked to fair value immediately before the reclassification.

Investments valued under the measurement alternative

The Company's investments as described in Note 3 include equity securities in other companies for which the Company does not have significant influence or control, and fair value is not readily determinable. Accounting Standard Update ("ASU") 2016-01 requires equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer.

Due to the lack of readily determinable fair values for such investments, the Company accounts for these investments under the measurement alternative at cost, less impairment.

The Company periodically performs qualitative impairment assessments on its investments recorded under the measurement alternative.

Impairment of long-lived assets

The Group's long-lived assets are reviewed for impairment in accordance with ASC Topic 360, "Property, Plant and Equipment", whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. No indicators of impairment have been identified as of December 31, 2023, and 2022.

Derivatives

Derivative instruments are recognized on the balance sheet at their fair value, with changes in the fair value recognized as a component of financial expenses, net in the statements of operation.

Once determined, derivative liabilities and assets are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives.

Income taxes

The Company accounts for income taxes in accordance with ASC Topic 740, "Income Taxes". Accordingly, deferred taxes assets and liabilities are determined utilizing the asset and liability method based on the estimated future tax effects of differences between the financial statement carrying amount and the tax bases of assets and liabilities under the applicable tax law. Deferred tax balances are measured using the enacted tax rates expected to be in effect when these differences reverse. Valuation allowances in respect of deferred tax assets are provided for, if necessary, to reduce deferred tax assets to amounts more likely than not to be realized.

The Company accounts for uncertainty in income tax in accordance with ASC Topic 740, which prescribes detailed guidance for the financial statement recognition, measurement and disclosure of tax positions. According to ASC Topic 740, tax positions must meet a more-likely-than-not recognition threshold. Recognized tax positions are measured as the largest amount that is greater than 50 percent likely to be realized. The Company's accounting policy is to classify interest and penalties relating to income taxes under income taxes; however the Company did not recognize such items in its fiscal 2023 and 2022 financial statements and did not record any unrecognized tax benefits.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Basic and diluted loss per ordinary share

Basic loss per share of Common Stock is computed by dividing the loss for the period applicable to holders of shares of Common Stock, by the weighed average number of shares of Common Stock outstanding during the period.

In computing diluted loss per share, basic loss per share is adjusted to reflect the potential dilution that could occur upon the exercise of potential shares. Accordingly, in periods of net loss, no potential shares are considered due to their anti-dilutive effect on loss per share.

Stock-based compensation

The Company measures and recognizes the compensation expense for all equity-based payments based on their estimated fair values in accordance with ASC 718, "Compensation-Stock Compensation". Share-based payments including grants of stock options are recognized in the statement of operation as an operating expense based on the fair value of the award at the date of grant. The fair value of stock options granted is estimated using the Black-Scholes option-pricing model. The Company has expensed compensation costs, applying the accelerated vesting method, over the requisite service period or over the implicit service period.

The company's accounting policy is to recognize forfeitures when they occur.

Fair value

Fair value of certain of the Company's financial instruments including cash, accounts receivable, accounts payable, accrued expenses, convertible notes 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 CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (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 earnings are reported in the statement of operations.

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:

	Balance as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
	US\$ in thousands			
Liabilities:				
Fair value of convertible component in convertible notes	-	-	40	40
Total liabilities	-	-	40	40

	Balance as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
	US\$ in thousands			
Liabilities:				
Fair value of convertible component in convertible notes	-	-	161	161
Total liabilities	-	-	161	161

The following table presents the changes in fair value of the level 3 liabilities for the years ended December 31, 2023 and 2022:

	US\$ in thousands
Liabilities:	
Outstanding at December 31, 2021	-
Initial recognition of convertible component as part of modification in note terms	201
Initial recognition of convertible component as part of convertible notes issued	103
Changes in fair value	(143)
Outstanding at December 31, 2022	161
Initial recognition of convertible component as part of convertible notes issued	8
Changes in fair value	(129)
Outstanding at December 31, 2023	40

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (U.S. dollars in thousands)

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

Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents as well as certain other current assets that do not amount to a significant amount. Cash and cash equivalents, which are primarily held in Dollars and New Israeli Shekels, are deposited with major banks in Israel and United States. Management believes that such financial institutions are financially sound and, accordingly, minimal credit risk exists with respect to these financial instruments. The Company does not have any significant off-balance-sheet concentration of credit risk, such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

Contingencies

The Company records accruals for loss contingencies arising from claims, litigation and other sources when it is probable that a liability has been incurred and the amount can be reasonably estimated. These accruals are adjusted periodically as assessments change or additional information becomes available. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Loan Issuance costs

As mentioned in Note 5, the Company has received a credit line from a lender. The Company has issued to the lender and a consultant shares of the Company's common stock as a commitment fee in respect of the provision of the Credit Facility. The commitment fee is recognized as a prepaid expense. Upon each utilization of the credit line, the Company recognizes a proportionate part of the commitment fee and records that part as financial expenses.

Accounting Standards Not Yet Adopted

Segment Reporting: In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures requires incremental disclosures related to an entity's reportable segments, including (i) significant segment expense categories and amounts for each reportable segment that are provided to the chief operating decision maker ("CODM"), (ii) an aggregate amount and description of other segment items included in each reported measure, (iii) all annual disclosures about a reportable segment's profit or loss and assets required by Topic 280 to be disclosed in interim periods, (iv) the title and position of the individual or the name of the group identified as the CODM and (v) an explanation of how the CODM uses the reported measures of segment profit or loss to assess performance and allocate resources to the segment. The standard improves transparency by providing disaggregated expense information about an entity's reportable segments. The standard does not change the definition of a segment, the method for determining segments or the criteria for aggregating operating segments into reportable segments. This guidance is effective for annual reporting periods beginning after December 15, 2023, and interim reporting periods beginning after December 15, 2024. The Company adopted the ASU and it did not have a material impact on its financial statement.

Income Taxes: In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this ASU add specific requirements for income tax disclosures to improve transparency and decision usefulness. The guidance in ASU 2023-09 requires that public business entities disclose specific categories in the income tax rate reconciliation and provide additional qualitative information for reconciling items that meet a quantitative threshold. In addition, the amendments in ASU 2023-09 require that all entities disclose the amount of income taxes paid disaggregated by federal, state, and foreign taxes and disaggregated by individual jurisdictions. The ASU also includes other disclosure amendments related to the disaggregation of income tax expense between federal, state and foreign taxes. For public business entities, the amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in this update should be applied on a prospective basis and retrospective application is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosures.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands)

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

In November 2024, the FASB issued ASU No. 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which clarifies the requirements related to accounting for the settlement of a debt instrument as an induced conversion. The amendments in this update are effective for annual reporting periods beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the impact of this guidance on our consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03 (“ASU 2022-03”), ASC Subtopic 820 “Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions” (“ASC 820”). ASU 2022-03 amends ASC 820 to clarify that a contractual sales restriction is not considered in measuring an equity security at fair value and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. ASU 2022-03 applies to both holders and issuers of equity and Equity-Linked Securities measured at fair value. The amendments in ASU 2022-03 are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The company is currently assessing what impact, if any, that ASU 2022-03 would have on its financial position, results of operations or cash flows.

In November 2024, the FASB issued ASU No. 2024-03 Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). The ASU improves the disclosures about a public business entity’s expense and provides more detailed information about the types of expenses in commonly presented expense captions. The amendments require that at each interim and annual reporting period an entity will, inter alia, disclose amounts of purchases of inventory, employee compensation, depreciation and amortization included in each relevant expense caption (such as cost of sales, SG&A and research and development). Amounts remaining in relevant expense captions that are not separately disclosed will be described qualitatively. Certain amounts that are already required to be disclosed under currently effective U.S GAAP will be included in the same disclosure as the other disaggregation requirements. The amendments also require disclosing the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. The ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company’s disclosures.

NOTE 3 - INVESTMENT VALUED UNDER THE MEASUREMENT ALTERNATIVE

	December 31,	
	2023	2022
	U.S. Dollars in thousands	
Nanomedic Technologies Ltd. (See A below)	450	450
MyPlant Bio Ltd. (See B below)	153	(*)444
iBOT Israel Botanicals Ltd. (See C below)	(**)1,407	-
	2,010	894

(*) Include shareholders option in amounts of \$291 thousand.

(**) Include shareholders option in amounts of \$747 thousand.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - INVESTMENT VALUED UNDER THE MEASUREMENT ALTERNATIVE (cont.)

- A. On June 22, 2020, the Company entered into a share purchase agreement with Nanomedic Technologies Ltd., an Israeli private company and a related party as further described below (“Nanomedic”) as part of an A-1 funding round open only to existing Nanomedic shareholders and their affiliates. Nanomedic developed SpinCare™, a system that integrates electrospinning technology into a portable, bedside device, offering immediate wound and burn care treatment. The Company paid \$450 thousand for A-1 preferred shares of Nanomedic and also received warrants to purchase A-1 preferred shares. Such investment represents a holding of approximately 3.3% in Nanomedic. The round raised approximately \$2.2 million in total. The Company accounts for the investment in Nanomedic in accordance with the provisions of ASC 321, “Investments - Equity Securities”, and elected to use the measurement alternative therein. The investment will be re-measured upon future observable price change(s) in orderly transaction(s) or upon impairment, if any. No such observable price changes have occurred during 2023 and 2022. See note 12M below.
- B. On December 30, 2022, the Company, MyPlant Bio Ltd., a company incorporated under the laws of Israel (“MyPlant”), Cannasoul Analytics Ltd., a company incorporated under the laws of Israel (“Cannasoul”), and PurPlant Inc., a company duly incorporated under the laws of Canada (“PurPlant”) (Cannasoul and PurPlant are collectively referred to as the “Shareholders”), and Professor Dedi Meiri, an Israeli individual (“Prof Meiri”) entered into the Share Purchase and Option Agreement (the “Share Purchase and Option Agreement”) for the purchase by the Company of up to 55% of MyPlant’s issued and outstanding share capital on a fully diluted basis

The Company purchased from the Shareholders an aggregate of 15,211 ordinary shares of MyPlant (the “MyPlant Shares”) representing, on a fully diluted basis, 10% of the outstanding MyPlant Shares, in consideration for the payment of \$444,444 by the issuance by the Company to the selling Shareholders of an aggregate of 9,259,250 shares of the Company’s common stock. On January 12, 2023 the company issued the shares above.

In addition, under the Share Purchase and Option Agreement, the Company was granted an option by the MyPlant shareholders to purchase an additional 35% of MyPlant Shares, on a fully diluted basis (the “Shareholders Option”), in consideration of \$1,555,556 payable by the issuance of up to 32,407,417 shares of the Company’s common stock to the MyPlant shareholders, and a separate option by MyPlant to purchase an additional 10% of the MyPlant Shares, on a fully diluted basis (the “MyPlant Option”), in consideration of \$444,444, which is payable, in the Company’s sole discretion, in cash or in the issuance to MyPlant of up to 9,259,250 shares of our common stock.

Said options are exercisable through September 30, 2023 (the “Option Expiry Date”). If both the shareholders Option and the Company Options are exercised, the Company will hold 55% of MyPlant Shares, on a fully diluted basis. Under the Share Purchase and Option Agreement, the Company is authorized to continue its due diligence through the Option Expiry Date. The number of shares is subject to adjustment in respect of any stock split or other recapitalization of the Company.

The transactions under the Share Purchase and Option Agreement are based on a MyPlant company valuation of approximately \$4.45 million. The Company is authorized at any time on or before the Option Expiry Date to obtain an independent third-party valuation of MyPlant. If it is determined by such third party valuation that MyPlant’s valuation is less than \$4.45 million, the consideration payable in respect of the exercise price of the options will be accordingly adjusted, provided however that in any case MyPlant’s valuation in the transaction shall not be below US\$1,000,000.

On September 28, 2023, the Company and MyPlant entered into an amendment of the Share Purchase and Option Agreement to extend to December 31, 2023 the Option Expiry Date available to the Company to purchase an additional 45% of MyPlant’s share equity, on a fully diluted basis. All other terms and conditions of the Share Purchase and Option Agreement remain in full force and effect. The Option expired on December 31, 2023, unexercised.

The options to purchase MyPlant shares were also accounted using the measurement alternative. Since the options’ value are subject to the changes in Citrine shares’ value, there are indicators to a change in the options’ value at each reporting date, and therefore the following valuation method was implemented.

CITRINE GLOBAL, CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 3 - INVESTMENTS VALUED UNDER THE MEASUREMENT ALTERNATIVE (cont.)

Fair Value Proportional Allocation

The Company estimated the fair value of Shareholders Option using the Monte Carlo option pricing model using the following weighted average assumptions:

	December 31, 2022
Dividend yield	0%
Risk-free interest rate	4.71%
Expected term (years)	0.78
Company's volatility	114.80%
MyPlant share price (U.S. dollars)	10.04
MyPlant volatility	55.29%

The fair value of the Shareholders Option as of December 31, 2023 and 2022 was estimated at \$0 and \$291 thousand, respectively.

Based on the above, the fair value proportion allocation as of December 31, 2022 was as follows:

	December 31, 2022
Shareholders option	\$ 291
MyPlant's shares	153
	\$ 444

As of December 31, 2023, the shareholders' option expired, resulting in a \$291 thousand reduction in fair value recognized in the statement of operations.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS VALUED UNDER THE MEASUREMENT ALTERNATIVE (cont.)

- C. On November 2, 2023, the Board of Directors the Company determined to seek an agreement with iBOT Israel Botanicals Ltd. (“iBOT”) pursuant to which the Company, would purchase, on an initial basis, a 19% equity stake in iBOT with an option to increase the Company’s equity holdings to 51% (the “Shareholders option”), on terms and conditions acceptable to the Company and iBOT. It was determined that the offered purchase price would be based on the discounted pre-company valuation of iBOT prepared by an independent third-party valuator commissioned by the Company of \$10,000,000. It was also determined by the Board that consideration for the initial 19% equity stake would be by way of a share exchange with iBOT and the balance of the consideration would be by way of combination of shares and cash as agreed to by the Company and iBOT. It was also agreed that all Company share issuance to iBOT would be calculated a per share price of \$0.027, representing then the highest closing price of the Company’s common stock during the preceding 30 day period.

As of the date of the approval of this report the option has lapsed.

The options to purchase IBOT’s shares were also accounted using the measurement alternative. Since the options’ value are subject to the changes in Citrine shares’ value, there are indicators to a change in the options’ value at each reporting date, and therefore the following valuation method was implemented.

For the purpose of purchase price allocation, the Company estimated the fair value of Shareholders Option using the Monte Carlo option pricing model using the following weighted average assumptions:

	December 31, 2023
Dividend yield	0%
Risk-free interest rate	5.26%
Expected term (years)	0.5
IBOT share price (U.S. dollars)	0.434
IBOT volatility	52.21%

The fair value of the Shareholders Option as of December 31, 2023 was estimated at 747 thousand.

Based on the above, the fair value proportion allocation as of December 31, 2023 was as follows:

	December 31, 2023
Shareholders option	\$ 747
IBOT’s shares	660
	<u>\$ 1,407</u>

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT, NET

	December 31,	
	2023	2022
	U.S. Dollars in thousands	
Computers and office equipment	10	10
Payment on land lease	218	224
	228	234
Less - accumulated depreciation	(10)	(4)
Total property and equipment, net	218	230

In the years ended December 31, 2023 and 2022, depreciation expenses amounted to US\$2.

On July 13, 2021, the Ministry of Economy of the Israeli government recommended to the Israel Land Authority (“ILA”) that it approve a grant of 11,687 square meters of industrial parcel of land in Yerucham, Israel (the “Land”) for Cannovation to build the Cannovation Center, at a subsidized price and exempt from a tender procedures typically required under Israeli law, to include factories, laboratories, logistics and a distribution center for the medical botanicals industries. As noted, Citrine Global owns 60% of the share capital of Cannovation, through the Israeli Subsidiary. Cannovation is in process of receiving the required building permits and approvals to start the construction and is in process with several financing entities in the area of real-estate financing.

During December 2021, Cannovation remitted to the Israeli Ministry of the Economy and the ILA the aggregate amount of NIS 688 thousand (\$196 thousand on the date of payment) to obtain the rights to the Land. The discounted amount paid is part of the grant by the Israeli government under government programs to encourage industrial development in Southern Israel. The amount remitted represents the sum total amount that Cannovation is required to pay as the purchase price for the Land.

Under the Agreement, Cannovation committed to build and develop an Operational Production and Innovation Center in accordance with 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 Agreement, Cannovation 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).

The Company has also capitalized \$24 thousand of related expenses as land costs.

On February 8, 2022, Cannovation received from the ILA a counter-signed development agreement to purchase rights for long term lease to 11,687 square meters of Land for purposes of building the Operational Production and Innovation Center 1, which is intended to include factories, laboratories, logistics and a distribution center for the botanicals industries.

See also Note 12G below.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – SHORT TERM LOANS

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 NIS 3,000,000 (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 a 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 (“the Premises”). 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, (i) the 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 have, in their personal capacities, provided guarantees for the repayment of any amounts that may be owing to Lender under the Credit Facility. The Company, CTGL – Citrine Global Israel Ltd. and Cannovation have agreed to indemnify Ms. Elharar Soffer and Mr. Ben Ishay for any losses they incur as a result of the personal guarantees.

On March 7, 2023, the Company issued to the Lender and a consultant 3,232,016 shares of the Company’s common stock as a commitment fee in respect of the provision of the Credit Facility (valuated at \$123 thousand). As of December 2023, Cannovation utilized NIS660,000 (\$182,000) of the credit line.

See also Note 12D below and Note 1 above.

NOTE 6 – CONVERTIBLE NOTES

- A. On April 1, 2020 the Company entered into a Convertible Note Purchase Agreement (the “CL Agreement”) with Citrine S A L , WealthStone Private Equity Ltd, WealthStone Holdings Ltd, Golden Holdings Neto Ltd, Beezhome Technologies Ltd, Citrine Biotech 5 LP, Citrine High Tech 6 LP, Citrine High Tech 7 LP, Citrine 8 LP, Citrine 9 LP and Citrine Biotech 10 LP (together, the “Buyer”), all of which are related parties of the company . Under the CL Agreement, the Buyer agreed to purchase and the Company agreed to issue and sell, for up to an aggregate principal amount of up to \$1,800 thousand, notes convertible into shares of Common Stock of the Company (the “Notes”), with a drawdown period starting on April 1, 2020 and ending upon the earlier of (i) 6 months thereafter and (ii) the consummation of a public offering by the Company. The CL Agreement originally provided that the Notes will bear an annual interest rate of six percent (6%) and that the conversion price per share of Common Stock shall equal 85% multiplied by the market price (as defined in the Notes), representing a discount of 15%, and that each Note will mature 18 months following the payment date.

On April 19, 2020 and June 12, 2020, the Company provided draw down notices under the CL Agreement for amounts of \$170 thousand and \$1 million, respectively, which were received in cash by the Company.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

On June 12, 2020, the CL Agreement was amended (hereafter “Amendment”) to provide that for each draw down made by the Company under the CL Agreement, the Buyer shall be entitled to receive two types of warrants: A warrants and B warrants, with the A warrants exercisable at any time between 6 and 12 months after issuance for an exercise price per share equal to 1.25 times the average of the closing prices of the 3 trading days preceding the draw down, and the B warrants exercisable at any time between 6 and 24 months after issuance for an exercise price per share equal to 1.5 times the average of the closing prices of the 5 trading days preceding the draw down, and that the number of each of the A warrants and the B warrants issued will be equal to the draw down amount divided by the average of the closing prices of the 3 trading days preceding the draw down, and that these amended terms will apply in respect of all draw downs, including drawdowns made prior to the date of the amendment.

On April 12, 2021, the parties to the Convertible Note Purchase Agreement (the “CL Agreement”) amended the CL Agreement to (i) change the annual interest on the Notes to nine percent (9%), applicable from January 1, 2021, (ii) ensure that the Company shall repay the loans at the time it consummates an investment in the amount of at least \$5 million in the Company’s securities, and (iii) modify the exercise prices of each of the A Warrants and B Warrants to \$0.10 per share, and the term of the A Warrants and B Warrants be extended by one year.

- B. On June 24, 2021, the Company received from Citrine 8 LP, a related party, a convertible loan of \$350 thousand made under and pursuant to the CL Agreement. Citrine 8 LP agreed to honor a Draw Down Notice for, and advanced to the Company, \$350 thousand, under the terms of the CL Agreement. As provided for under the terms of the CL Agreement, Citrine 8 LP was also issued 10,500,105 A warrants and 10,500,105 B warrants for shares of common stock, where the A warrants are exercisable beginning December 24, 2021 through December 24, 2023 and the B warrants, in each case at a per share exercise price of \$0.10 (the “June 24 Agreement”).
- C. On August 13, 2021, the Company and the holders of \$1,520 thousand in principal amount under the CL Agreement as detailed in Note 5A and 5B above, entered into an additional agreement pursuant to which, among other things, the following terms were effected:
- (i) Extension of the maturity date on the Outstanding CL Notes to July 31, 2023, provided, that if the Company consummates prior to maturity an investment of at least \$5 million of the Company’s securities, then the Company shall repay the principal amount and accrued interest of the Notes from such proceeds;
 - (ii) Amendment of the conversion price on the Outstanding CL Notes to a fixed conversion price of \$0.10 per share; and
 - (iii) Confirming the agreement of the holders of the Outstanding CL Notes to honor draw down notice for balance of remainder of the \$1,800 thousand originally committed to under the CL Agreement (i.e., \$280 thousand) through March 31, 2022.
- D. On January 5, 2022, Citrine 9 LP, one of the Buyer entities (hereinafter “Citrine 9”) agreed to honor a Draw Down Notice (as defined in the Convertible Note Agreement) for, and has advanced to the Company, \$180 thousand on the same terms and conditions as are specified in the Convertible Note Agreement. The maturity date of the loan is the earlier of July 31, 2023 or at such time as the Company shall have consummated an investment of at least \$5 million in Company securities. The annual interest on the loan continues to be nine percent (9%). The principal and interest payment on the Note shall be made in New Israeli Shekels (NIS) at the conversion rate which was in effect on the date on which the loan was advanced.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

- E. On January 5, 2022, Citrine 9 LP, one of the Buyer entities (hereinafter “Citrine 9”) agreed to honor a Draw Down Notice (as defined in the Convertible Note Agreement) for, and has advanced to the Company, \$180 thousand on the same terms and conditions as are specified in the Convertible Note Agreement. The maturity date of the loan is the earlier of July 31, 2023 or at such time as the Company shall have consummated an investment of at least \$5 million in Company securities. The annual interest on the loan continues to be nine percent (9%). The principal and interest payment on the Note shall be made in New Israeli Shekels (NIS) at the conversion rate which was in effect on the date on which the loan was advanced.

As provided for under the terms of the Convertible Note Agreement, Citrine 9 will be issued 6,666,667 Series A warrants and 6,666,667 Series B warrants for shares of common stock, where the Series A warrants are exercisable beginning July 5, 2022 through July 5, 2024 and the Series B warrants are exercisable beginning July 5, 2022 through July 5, 2025, in each case at an exercise price of \$0.05 per share.

The Company allocated the proceeds received to the freestanding components – the convertible loan, A Warrants and B Warrants, based on their relative fair values, since all three components will not be subsequently measured at fair value (see below).

Conversion feature

In accordance with ASC 815-15-25 the conversion feature was considered a liability classified embedded derivative instrument, and is to be recorded at its fair value separately from the convertible notes, within non-current liabilities in the Company’s balance sheet. The conversion component is then remeasured at fair value at each reporting period with the resulting gains or losses shown in the statements of operations.

The fair value of the convertible component was estimated by third party appraiser as weighted average of the two possible scenarios of the total convertible notes amount conversion (each, 50% probability):

The scenario in which the convertible loan would be converted prior to its maturity (scenario 1) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates and as of the balance sheet date:

	January 5, 2022
Dividend yield (%)	0%
Risk-free interest rate (%)	0.65%
Expected term (years)	1.57
Volatility	154.86%
Share price (U.S. dollars)	0.025
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	56

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

The scenario in which the Company would raise at least \$5 million prior to conversion of the convertible loan (scenario 2) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates and as of the balance sheet date:

	January 5, 2022
Dividend yield (%)	0%
Risk-free interest rate (%)	0.40%
Expected term (years)	0.99
Volatility	158%
Share price (U.S. dollars)	0.025
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature U.S. dollars in thousands)	40

The fair value of the convertible component was estimated by the third-party appraiser after giving effect to the weighted average of the two possible scenarios as of issuance dates was \$48 thousand.

Warrants

The fair value of the warrants as of the drawdowns dates was estimated at \$255 thousand using the Black-Scholes option-pricing model and is presented within the consolidated statements of changes in shareholders deficit.

The following are the data and assumptions used:

Warrants A

Dividend yield	0%
Risk-free interest rate	0.96%
Expected term (years)	2.5
Volatility	159.70%
Share price (U.S. dollars)	0.025
Exercise price (U.S. dollars)	0.05
Fair value of the warrants (U.S. dollars in thousands)	119

Warrants B

Dividend yield	0%
Risk-free interest rate	1.18%
Expected term (years)	3.5
Volatility	159.70%
Share price (U.S. dollars)	0.025
Exercise price (U.S. dollars)	0.05
Fair value of the warrants (U.S. dollars in thousands)	136

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

Fair Value Proportional Allocation

The fair value of the note was estimated at \$154 thousand. The note is accounted for according to the effective interest method.

Based on the above, the fair value proportion allocation as of January 5, 2022 was as follows:

	January 5, 2022 (US dollars in thousands)
Conversion Component	\$ 48
Warrants	100
Convertible Notes	32
Total	<u>\$ 180</u>

E. On January 5, 2022, the Company and the related entities who are the signatory lenders (hereinafter the “Buyers”) under the Convertible Loan Agreement dated as of April 1, 2020 (the “CL Agreement”) with the Company entered into the Fourth Amendment to the CL Agreement pursuant to which the following was agreed to:

- (i) The principal and accrued interest on all outstanding loans in the aggregate principal amount of \$1,800,000 are to be repaid in New Israeli Shekels (NIS) at the conversion rate in effect on the date on which the loan was advanced;
- (ii) The conversion price on all outstanding notes under the CL Agreement was adjusted to a conversion price of \$0.05 per share
- (iii) The exercise price on all outstanding warrants issued in connection with advances made under the CL Agreement was adjusted to an exercise price of \$0.05 per share.

The Company concluded that the change in terms does not give rise to a troubled debt restructuring, as no concession was given to the Company.

Therefore, the Company went on to assess whether the terms of the modified note are substantially different. The Company concluded that the change in terms should be accounted for as a debt extinguishment.

In accordance with ASC 815-15-35-4, since the embedded conversion option in the convertible debt meets the bifurcation criteria, the fair value of the conversion component calculated as of January 5, 2022, in the amount of \$162 thousand, was reclassified from shareholders equity to liability at that date.

F. On July 15, 2022, Citrine 9 LP, (hereinafter “Citrine 9”), one of the related entities and a signatory lender (to the Convertible Note Purchase Agreement entered into by the Company and several related parties (hereinafter the “Buyers”) in April 2020, as subsequently amended (the “CL Agreement”) agreed to honor a Draw Down Notice for, and has advanced to the Company, \$100,000 on the same terms and conditions as are specified in the CL Agreement. The annual interest on the loan continues to be nine percent (9%). The principal and interest payment on the Note are to be made in New Israeli Shekels (NIS) at the conversion rate which was in effect on the date on which the loan was advanced. In connection with the loan, Citrine 9 is entitled to 8,333,333 Series A warrants and 8,333,333 Series B warrants for shares of common stock, where the Series A warrants are exercisable beginning January 15, 2023 through July 15, 2024 and the Series B warrants are exercisable beginning January 15, 2023 through July 15, 2025, in each case at an exercise price of \$0.05 per share. On August 9, 2022, the Company’s board of directors agreed to extend the maturity date on the loans to October 31, 2023, and to extend the exercise period of the warrants through August 9, 2027.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

The Company allocated the proceeds received to the freestanding components – the convertible loan, A Warrants and B Warrants, based on their relative fair values, since all three components will not be subsequently measured at fair value (see below).

Conversion feature

In accordance with ASC 815-15-25 the conversion feature was considered a liability classified embedded derivative instrument and is to be recorded at its fair value separately from the convertible notes, within non-current liabilities in the Company's balance sheet. The conversion component is then remeasured at fair value at each reporting period with the resulting gains or losses shown in the statements of operations.

The fair value of the convertible component was estimated by third party appraiser as weighted average of the two possible scenarios of the total convertible notes amount conversion (each, 50% probability):

The scenario in which the convertible loan would be converted prior to its maturity (scenario 1) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates

	July 15, 2022
Dividend yield	0%
Risk-free interest rate	3.12%
Expected term (years)	1
Volatility	146.4%
Share price (U.S. dollars)	0.012
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	6

The scenario in which the Company would raise at least \$5 million prior to conversion of the convertible loan (scenario 2) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates and as of the balance sheet date:

	July 15, 2022
Dividend yield	0%
Risk-free interest rate	2.86%
Expected term (years)	0.46
Volatility	125.9%
Share price (U.S. dollars)	0.012
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	1

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

The fair value of the convertible component was estimated by the third-party appraiser after giving effect to the weighted average of the two possible scenarios as of issuance dates was \$4 thousand.

Warrants

The fair value of the warrants as of the drawdowns dates was estimated at \$115 thousand using the Black-Scholes option-pricing model and is presented within the consolidated statements of changes in shareholders equity (deficit).

The following are the data and assumptions used as of July 15, 2022:

Warrants A

Dividend yield	0%
Risk-free interest rate	3.13%
Expected term (years)	2
Volatility	153.1%
Share price (U.S. dollars)	0.012
Exercise price (U.S. dollars)	0.05
Fair value of the warrants (U.S. dollars in thousands)	50

Warrants B

Dividend yield	0%
Risk-free interest rate	3.14%
Expected term (years)	3
Volatility	148.6%
Share price (U.S. dollars)	0.012
Exercise price (U.S. dollars)	0.05
Fair value of the warrants (U.S. dollars in thousands)	64

Fair Value Proportional Allocation

The fair value of the note was estimated at \$93 thousand. The note is accounted for according to the effective interest method.

Based on the above, the fair value proportion allocation as of July 15, 2022 was as follows:

	July 15, 2022 (US dollars in thousands)
Conversion Component	\$ 4
Warrants	55
Convertible Notes	41
Total	\$ 100

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

G. On August 9, 2022, the board of directors of the Company agreed to the following:

1. The maturity date on all of the outstanding convertible loans under the CL Agreement was extended to October 31, 2023 (from July 31, 2023); and
2. The exercise period on all of the outstanding Series A and Series B warrants issued to date in connection with the convertible loans under the CL Agreement was extended to August 9, 2027

The Company concluded that the change in terms does not give rise to a troubled debt restructuring, as no concession was given to the Company.

Therefore, the Company went on to assess whether the terms of the modified note are substantially different. The Company concluded that the change in terms of the loans should be accounted for as a debt extinguishment.

Following the abovementioned amendment on August 9, 2022, the changes in the fair value of the conversion component and the warrants in the amount of \$51 thousand and \$354 thousand, respectively were recorded as interest expenses.

H. On August 9, 2022, the Board agreed to issue to the related entities who advanced an aggregate of \$1,170 thousand in convertible loans under the CL Agreement on or before June 15, 2020 warrants for a total 5,589,172 shares of common stock, exercisable through August 9, 2027 at a per share exercise price of \$0.05, in replacement of the Series A warrants for an identical number of shares issued in June 2020 in connection with such loans, which had expired. The issuance was accounted for as part of loan modification described in Note 6G.

The fair value of the warrants as of the drawdowns dates was estimated at \$98 thousand using the Black-Scholes option-pricing model and is presented within the consolidated statements of changes in shareholders deficit.

The following are the data and assumptions used:

Warrants A

Dividend yield (%)	0%
Risk-free interest rate (%)	2.97%
Expected term (years)	5
Volatility	152.9%
Share price (U.S. dollars)	0.02
Exercise price (U.S. dollars)	0.05
Fair value of the warrants (U.S. dollars in thousands)	98

I. On September 30, 2022, the Company received a loan from Citrine S A L Hi Tech 7 LP, an Israeli limited partnership and related parties of the company (the “Lender”), in the principal amount of \$80,000. The loans bears interest at 12% per annum and is scheduled to mature on December 15, 2022. The principal and interest payment on the loan are to be made in New Israeli Shekels (NIS) at the exchange rate which was in effect on the date on which the loan was advanced. The Lender has the option, upon written notice to the Company and subject to the Company’s consent, to extend the maturity date of the loan (the “Maturity Date extension Notice”). The Lender is to provide the Maturity Date extension Notice by no later than December 5, 2022. The lender did not provide such a notice by December 31, 2022. See J below.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

- J. On January 30, 2023 Citrine S A L Hi Tech 7 LP agreed to change the terms of this loan, which amounted to \$83,000 (including accrued interest) such that such terms shall be adjusted on a pro-rata basis, to those terms applicable to the Company's convertible notes then outstanding under the Convertible Note Agreement (as detailed in note 6 A above).

As provided for under the terms of the Convertible Note Agreement, Citrine 7 will be issued 6,666,667 warrants for shares of common stock, where the Series A and B warrants are exercisable through August 9, 2027, at an exercise price of \$0.05 per share.

The Company concluded that the change in term does not constitute a troubled debt restructuring. Thereafter, the Company applied the guidance in ASC 470-50, Modifications and Extinguishments. The accounting treatment is determined by whether terms of the new debt and original debt are substantially different.

The following are the data and assumptions used:

Warrants A

Dividend yield (%)	0%
Risk-free interest rate (%)	3.75%
Expected term (years)	4.36
Volatility	160.5%
Share price (U.S. dollars)	0.044
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	134

Warrants B

Dividend yield (%)	0%
Risk-free interest rate (%)	3.75%
Expected term (years)	4.36
Volatility	160.5%
Share price (U.S. dollars)	0.044
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	134

Since the original and new debt instruments are substantially different, the original debt was derecognized and the new debt was recorded at fair value, with the difference recognized as an extinguishment loss.

The extinguishment resulted in a loss of \$266 thousand, included in the statements of operations as "Expenses related to convertible loan terms".

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont'd)

The components of the new loan were valued as follows:

Conversion feature

In accordance with ASC 815-15-25 the conversion feature was considered a liability classified embedded derivative instrument and is to be recorded at its fair value separately from the convertible notes, within non-current liabilities in the Company's balance sheet. The conversion component is then remeasured at fair value at each reporting period with the resulting gains or losses shown in the statements of operations.

The fair value of the convertible component was estimated by third party appraiser as weighted average of the two possible scenarios of the total convertible notes amount conversion (20% probability for scenario 1 and 80% probability for scenario 2):

The scenario in which the convertible loan would be converted prior to its maturity (scenario 1) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates and as of the balance sheet date:

	January 30, 2023
Dividend yield (%)	0%
Risk-free interest rate (%)	4.56%
Expected term (years)	1.33
Volatility	123.5%
Share price (U.S. dollars)	0.044
Exercise price (U.S. dollars)	0.05

The scenario in which the Company would raise at least \$5 million prior to conversion of the convertible loan (scenario 2) was estimated by the appraiser at no fair value since it was estimated that along with such raise the convertible loans would be converted at market price.

The fair value of the convertible component was estimated by the third-party appraiser after giving effect to the weighted average of the two possible scenarios as of issuance dates was \$8 thousand.

Warrants

The fair value of the warrants as of January 30, 2023 was estimated at \$268 thousand using the Black-Scholes option-pricing model and is presented within the consolidated statements of changes in shareholders equity (deficit).

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont.)

- K. On January 30, 2023 the Company and each of Citrine High Tech 7 LP (“LP 7”), Citrine 8 LP (“LP 8”) and Citrine 9 LP (“LP 9”; together with LP 7 and LP 8, the “Lending LP”), the lending entities under and parties to the Convertible Note Purchase Agreement entered into by the Company and several related parties in April 2020, as subsequently amended (the “CL Agreement”), have entered into an agreement (the “Agreement”) pursuant to which they have agreed to extend the maturity date on all outstanding convertible loans in the principal amount of \$1,800,000 under the CL Agreement to May 31, 2024.

In addition, under the Agreement the Company and the Lending LPs have also agreed that if the Company’s common stock is listed on the Nasdaq Stock Market, then the Company, in its sole discretion, shall determine to convert, in whole or in part, the outstanding amount of the above mentioned notes to shares of the Company’s common stock at a conversion price equal to the price paid by the public investors for the common stock in the offering accompanying the listing.

The Company concluded that the above-mentioned change in terms constitutes a troubled debt restructuring, due to its financial condition and the concession that the above mentioned changes provided.

Therefore, the Company concluded that the change in terms should be accounted for as a modification. A new effective interest rate was established based on the carrying value of the debt and the revised cash flows.

On May 9, 2023, the Company’s Board determined to provide that until the earlier of the satisfaction in full of the convertible loans or the termination of the exercise period of the warrants for an aggregate of 62,178,554 shares previously issued to the Lending LPs (the “Warrants”), if the Company’s common stock were to be listed on the Nasdaq Stock Market and the per share public price of the offering accompanying such listing is less than the then current exercise price of the Warrants, then the Warrant exercise price shall be adjusted to that of the public offering price, provided that if such listing and accompanying offering do not occur by September 30, 2023, then the exercise price of the Warrants shall remain at its then current exercise price or may be adjusted to a lower exercise price as determined by Company’s Board and in agreement with the Lending LPs. As the offering has not been achieved by June 26, 2023, the Board decided that the Warrant exercise price shall remain unchanged at \$0.05 and also provide that the upon future the implementation of the reverse split, the Warrants per share exercise price would be unaffected by the reverse split and would remain at \$0.05 though the number of warrant shares would be subject to the reverse stock split.

- L. On November 14, 2023, the holders of the convertible loans issued under the Loan Agreement which is comprised of Citrine SAL High Tech 7 LP, Citrine SAL Biotech 8 LP, and Citrine SAL Biotech 9 LP (collectively, the “LPs”) entered into a binding LOI pursuant to which the LPs agreed to extend the maturity date of the convertible loans from May 2024 to December 31, 2024. See Note 12I below.

The Company concluded that the change in terms does not constitute a troubled debt restructuring, as it doesn’t include a concession in the present value of the debt. The Company concluded that the change in terms should be accounted for as a non-substantial modification, with a new effective interest rate established based on the carrying value of the debt and revised cash flows.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont.)

M. As of December 31, 2022, the fair value of the convertible component was estimated by third party appraiser as weighted average of the two possible scenarios of the total convertible notes amount conversion (20% probability for scenario 1 and 80% probability for scenario 2):

The scenario in which the convertible loans would be converted prior to its maturity (scenario 1) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of the balance sheet date:

	December 31, 2022
Dividend yield	0%
Risk-free interest rate	4.74%
Expected term (years)	0.83
Volatility	147.71%
Share price (U.S. dollars)	0.038
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	694

The scenario in which the Company would raise at least \$5 million prior to conversion of the convertible loan (scenario 2) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of issuance dates and as of the balance sheet date:

	December 31, 2022
Dividend yield	0%
Risk-free interest rate	4.69%
Expected term (years)	0.16
Volatility	166.9%
Share price (U.S. dollars)	0.038
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	260

The fair value of the convertible component was estimated by the third-party appraiser after giving effect to the weighted average of the two possible scenarios as of December 31, 2022, was \$161 thousand.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – CONVERTIBLE NOTES (cont.)

M. As of December 31, 2023, the fair value of the convertible component was estimated by third party appraiser as weighted average of the two possible scenarios of the total convertible notes amount conversion (20% probability for scenario 1 and 80% probability for scenario 2):

The scenario in which the convertible loans would be converted prior to their maturity (scenario 1) was estimated by the appraiser using the Black-Scholes option pricing model, to compute the fair value of the derivative and to market the fair value of the derivative at each balance sheet date. The following are the data and assumptions used as of the balance sheet date:

	December 31, 2023
Dividend yield	0%
Risk-free interest rate	5.26%
Expected term (years)	1
Volatility	117.2%
Share price (U.S. dollars)	0.02
Exercise price (U.S. dollars)	0.05
Fair value of the conversion feature (U.S. dollars in thousands)	198
Weighted fair value based on scenario probability (U.S. dollars in thousands)	40

The scenario in which the Company would raise at least \$5 million prior to conversion of the convertible loan (scenario 2) was estimated by the appraiser at no fair value since it was estimated that along with such raise the convertible loans would be converted at market price.

The fair value of the convertible component was estimated by the third-party appraiser after giving effect to the weighted average of the two possible scenarios as of December 31, 2023, was \$40 thousand.

NOTE 7 – SHAREHOLDERS' EQUITY

Description of the rights attached to the Shares in the Company:

Common Stock:

Each share of Common Stock entitles the holder to one vote, either in person or by proxy, at meetings of stockholders. The holders of Common Stock are not permitted to vote their shares cumulatively. Accordingly, the holders of the Company's Common Stock who hold, in the aggregate, more than fifty percent of the total voting rights can elect all of the directors and, in such event, the holders of the remaining minority shares will not be able to elect any of such directors. The vote of the holders of a majority of the issued and outstanding shares of Common Stock entitled to vote thereon is sufficient to authorize, affirm, ratify or consent to such act or action, except as otherwise provided by law.

Transactions:

On February 15, 2022, the Company signed an investor relations service agreement with a consultant pursuant to which the Company agreed to pay the consultant a monthly retainer of \$5,000 and in addition, to issue the consultant 1,800,000 restricted shares of common stock, to be issued in three tranches. In the event that the agreement is terminated prior to the issuance date, the remaining share obligation shall be void. On July 28, 2022, by mutual agreement the Company and the counterparty consultant terminated the agreement and the Company agreed to issue to the counterparty consultant 600,000 restricted shares. On August 26, 2022, the Company issued the shares to the consultant. The Company estimated the value of the shares issued based on the share price at the agreement date at \$13 thousand and were recorded as share-based compensation expenses.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – SHAREHOLDERS' EQUITY (cont.)

On August 26, 2022 the Company issued 535,867 shares to Intelicanna Ltd in respect to its strategic partnership agreement signed on May 31, 2020.

On March 7, 2023, the Company issued SR ACCORD 2,154,677 shares of the Company's common stock a commitment fee in respect of the provision of the Credit Facility. The Company determined the value of the shares issued at \$82,000 based on the share price at the agreement date of which \$18 thousand were recorded as finance expenses and the remaining were recorded as pre-paid expenses.

On March 18, 2023, the Company issued to a consultant 1,077,339 shares of the Company's common stock in respect of the provision of the Credit Facility. The Company determined the value of the shares issued at \$41,000 based on the share price at the agreement date of which \$9 thousand were recorded as finance expenses and the remaining were recorded as pre-paid expenses.

On May 25, 2023, the Company issued a consultant 9,000,000 shares of the Company's common stock in respect of IRPR services. The Company determined the value of the shares issued at \$333,000 based on the share price at the agreement date of which \$278 thousand were recorded as marketing, general and administrative expenses and the remaining were recorded as pre-paid expenses.

On November 28, 2023, the Company issued a consultant 8,000,000 shares of the Company's common stock in respect of services. The Company determined the value of the shares issued at \$160,000 based on the share price at the agreement date of which \$160 thousand were recorded as marketing, general and administrative expenses.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – STOCK OPTIONS

On August 15, 2021, the Company's board of directors determined to increase the number of shares reserved for issuance under the 2018 Stock Incentive Plan (the "2018 Plan") to 90,000,000 shares of common stock thereunder and recommended to the Company shareholders to approve the increase in the pool. The Board also determined to grant to each of Ilanit Halperin and David Kretzmer, directors of the Company, a grant of options to purchase 9,425,680 shares of common stock, and Doron Birger, a Company director, options to purchase 2,365,420 shares, in each case at per share exercise price of \$0.05 per share. The options vest over a two year period, in eight (8) equal installments, with the first instalment vesting on the third month anniversary of each individual's start date and each further instalment on each subsequent third month anniversary, where the start date is, in the case of Ilanit Halperin February 27, 2020, in the case of Doron Birger September 20, 2020 and in the case of David Kretzmer is March 1, 2021, subject to such individual's continued service with the Company. These options expire 5 years from the grant date. The total recognized tax benefit related to the share-based payments, after valuation allowance, totaled to zero.

On December 29, 2021 the Company's board of directors approved the grants of the options.

The fair value at December 29, 2021 was determined using the Black-Scholes pricing model, assuming a risk free rate of 1.29%, a volatility factor of 152.1%, dividend yields of 0% and an expected life of 5 years. The Company estimated the fair value of each option granted at December 29, 2021 at \$0.022, totaling \$519 thousand.

In May 2022 the Company appointed Prof. Itamar Grotto, a world-renowned expert in Public Health as Director in Cannovation Center Israel Ltd. and President of Green Vision Center Israel. Upon his appointment, Prof. Itamar Gruto was granted options under the 2018 Plan to purchase 2,356,420 shares of the Company's common stock at per share exercise price of \$0.05. The options vest over a three year period, in three annual instalments beginning on June 1, 2023 and thereafter on each subsequent anniversary, subject to his continued service to the Company.

On June 8, 2022, the Board also approved the issuance of 7,000,000 options to two service providers under the 2018 Plan. The options are exercisable at a per share price of \$0.05. The options are scheduled to vest over a three year period, in twelve (12) equal installments, with the first installment vesting on the third month anniversary of the date of grant and each further instalment on each subsequent third month anniversary, subject to such individual's continued service with the Company. 1,166,667 options shall be accelerated upon uplisting to Nasdaq.

On August 9, 2022, the Company's board of directors determined to increase the number of shares reserved for issuance under the 2018 Plan by 90 million shares to a total of 180,000,000 shares of common stock thereunder and on August 12, 2022 the Company shareholders approved the same.

On August 9, 2022, the Board also determined to grant to the directors and officers set forth below options under the 2018 Plan. The options are exercisable at a per share price of \$0.02 and through the seventh anniversary of the grant date, except in the case of Ora Elharar Soffer, the Company's chief executive officer, the per share exercise price is 0.022 and the exercise period is five years from the date of grant. The options are scheduled to vest over a three year period, in twelve (12) equal installments, with the first installment vesting on the third month anniversary of the date of grant and each further instalment on each subsequent third month anniversary, subject to such individual's continued service with the Company. In the event of a change in control, the vesting schedule is accelerated and all unvested options vest.

Director/Officer	Number of Options
Ora Elharar Soffer (Chairperson, CEO)	47,128,400
Ilanit Halperin (Director, CFO)	18,851,360
Ilan Ben Ishay (Director – see note 12E)*	18,851,360
Doron Birger (Director see note 12C)*	2,356,420
David Kretzmer (Director)	2,356,420

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – STOCK OPTIONS (cont.)

The terms relating to the options grants are included in stock option agreements under the 2018 Plan. Amongst other things, the stock option agreements for selected service providers of Citrine Global, including the directors and officers, provide that the exercise price of the options that were awarded to date, shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options. All other relevant terms of such shall continue in full force and effect and are such reverse stock split. Any and all tax implications rest solely with the optionee and not the Company.

The following table presents the Company's stock option activity for employees and directors of the Company for the years ended December 31, 2022:

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding at December 31, 2021	23,628,962	0.05
Granted	98,900,380	0.021
Exercised	-	-
Forfeited or expired	-	-
Outstanding at December 31, 2022	122,529,342	0.026
Number of options exercisable at December 31, 2022	30,884,971	0.043

The stock options outstanding as of December 31, 2022, have been separated into exercise prices, as follows:

Exercise price	Stock options outstanding	Weighted average remaining contractual life – years As of December 31, 2022	Stock options vested
\$			
0.0011	46,762	4.00	46,762
0.02	42,415,560	2.61	3,534,630
0.022	47,128,400	2.61	3,927,367
0.05	32,938,620	4.01	23,376,212
	122,529,342	2.53	30,884,971

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – STOCK OPTIONS (cont.)

In determining the fair value of the options granted, the Company used the Black-Scholes option valuation method, with the following assumptions:

	2022
Dividend yield (%)	0%
Risk-free interest rate (%)	0.07% - 3.20%
Expected term (years)	5-7
Volatility	164.84% - 174.46%
Share price (U.S. dollars)	0.015 - 0.020
Exercise price (U.S. dollars)	0.022 – 0.05
Estimated total fair value of options granted (U.S. dollars thousands)	1,837

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 December 31, 2023:

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding at December 31, 2022	122,529,342	0.026
Granted	-	-
Exercised	-	-
Forfeited or expired	-	-
Outstanding at December 31, 2023	122,529,342	0.026
Number of options exercisable at December 31, 2023	64,641,085	0.031

The stock options outstanding as of December 31, 2023, have been separated into exercise prices, as follows:

Exercise price	Stock options outstanding	Weighted average remaining contractual life – years As of December 31, 2023	Stock options vested
\$			
0.0011	46,762	3	46,762
0.02	42,415,560	1.61	17,673,150
0.022	47,128,400	1.61	19,636,833
0.05	32,938,620	3.01	27,284,340
	122,529,342		64,641,085

Compensation expense recorded by the Company in respect of its stock-based compensation awards for the year ended December 31, 2023 were \$777 thousand and are included in General and Administrative expenses in the Statements of Operations.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – STOCK OPTIONS (cont.)

As of December 31, 2023, there was \$330 of total unrecognized compensation cost related to non-vested options. The cost is expected to be recognized over a weighted average period of 2 years.

The aggregate intrinsic value of the awards outstanding as of December 31, 2023 is \$228. These amounts represent the total intrinsic value, based on the Company's stock price of \$0.02 as of December 31, 2023, less the weighted exercise price.

NOTE 9 – RELATED PARTIES

A. Transactions and balances with related parties

	Year ended December 31	
	2023	2022
	U.S. Dollars in thousands	
Research and development expenses:		
Directors compensation and fees to officers	96	105
	<u>96</u>	<u>105</u>
General and administrative expenses:		
Directors compensation and fees to officers (*)	1,255	1,274
(*) Share based compensation	<u>777</u>	<u>702</u>
Financing expenses, net:		
Financial expenses related to convertible loan	451	637
Interest on loan	<u>-</u>	<u>2</u>

B. Balances with related parties:

	As of December 31,	
	2023	2022
	U.S. Dollars in thousands	
Current Liabilities:		
Short term loan	-	82
Accounts payable	180	120
Accrued compensation	1,898	1,384
Non-current Liabilities:		
Convertible notes	2,202	1,814

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – RELATED PARTIES (CONT.)

- C. Commencing in February 2020, Ora Elharar Soffer, CEO and Chairperson of the Board, was entitled to a monthly fee of \$20 thousand and certain reimbursements, such as vehicle, traveling, lodging and other expenses on behalf of the Company, the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities.

In addition, on August 15, 2021, the board of directors of Cannovation determined to adjust the compensation of the Chairperson (and interim Chief Executive Officer), Ora Elharar Soffer, to \$10 thousand per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation shall become due and payable from, and such time as Cannovation shall have, available funds therefore and as part of the operating budget for a minimum period of 18 months.

On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms Ora Elharar Soffer, the Company's Chairperson, CEO and President, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms. Elharar Soffer is entitled will increase from \$20,000 to \$25,000 plus VAT upon a listing of the Company's stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company's board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by Ms. Elharar Soffer, shall continue in full force and effect so long as Ms. Elharar Soffer serves as *either* director and /or executive officer and (iii) all previous awards and bonuses previously made to her were affirmed. The amendment also provides that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for the Consultant that takes into consideration Ms. Elharar Soffer's role in founding and leading the Company and that such compensation package shall be competitive with compensation programs for top senior executives/founders generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executive and that Ms. Elharar Soffer shall receive the most extensive of such compensation terms amongst senior management.

As of December 31, 2023, and 2022, an amount of \$1,230 thousand and \$870 thousand, respectively, was recorded representing compensation earned by Ms. Elharar Soffer.

- D. Commencing in February 2020, Ilan Ben-Ishay, a director in Citrine Global, is entitled to a monthly fee of \$3.5 thousand and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company, the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities.

In addition, on August 15, 2021, the board of directors of Cannovation determined to adjust the compensation of Ilan Ben Ishay, a director at Cannovation, to \$2 thousand per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation shall become due and payable from, and such time as Cannovation shall have available funds therefor and as part of the operating budget for a minimum period of 18 months.

As of December 31, 2023, and 2022, an amount of \$178 thousand and \$152 thousand, respectively was recorded representing compensation earned by Mr. Ben-Ishay.

On January 18, 2023, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of the Company. (See note 12 E)

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – RELATED PARTIES (CONT.)

- E. Commencing in May 2020, Ms. Halperin, director & CFO of the Company, was entitled to a monthly fee of an additional \$4 thousand, resulting in an aggregate monthly fee (from the February 2020 agreement as detailed above) of \$7 thousand, and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company, the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities.

In addition, on August 15, 2021, the board of directors of Cannovation determined to adjust the compensation of Ilanit Halperin at Cannovation, to \$4 thousand per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation shall become due and payable from, and such time as Cannovation shall have, available funds therefor and as part of the operating budget for a minimum period of 18 months.

On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms Ilanit Halperin, the Company's CFO, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms Ilanit Halperin is entitled will increase from \$7,000 to \$10,000 plus VAT upon a listing of the Company's stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company's board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by Mr Ilanit Halperin, shall continue in full force and effect so long as Ms. Halperin serves as *either* director and /or executive officer and (iii) all previous awards and bonuses previously made to her were affirmed. In addition, the Company undertakes that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for Ms. Halperin that shall be competitive with compensation programs for senior executives generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executives.

As of December 31, 2023, and 2022, an amount of \$435 thousand and \$303 thousand, respectively, was recorded representing compensation earned by Ms. Halperin.

- F. Commencing in March 2021, Adv. David Kretzmer, a director, is entitled to a monthly fee of \$7 thousand and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company, the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities.

In addition, on August 15, 2021, the board of directors of Cannovation determined to adjust the compensation of David Kretzmer, a director at Cannovation, to \$2 thousand per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation shall become due and payable from, and such time as Cannovation shall have, available funds therefor and as part of the operating budget for a minimum period of 18 months.

On August 9, 2022, Mr. David Kretzmer's fee in respect of services provided to the Company was reduced from \$7,000 per month to \$1,500 per month. Mr. Kretzmer's monthly fee for services rendered to Cannovation Center Israel at the rate of \$2,000 per month was unaffected

As of December 31, 2023, and 2022, an amount of \$205 thousand and \$163 thousand, respectively, was recorded representing compensation earned by Adv. David Kretzmer.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – RELATED PARTIES (CONT.)

- G. Commencing in September 2020, Doron Birger, a director, is entitled to a monthly fee of \$1.5 thousand. From July 2022 the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities.

As of December 31, 2023 and 2022, an amount of \$25 thousand and \$9 thousand, respectively was recorded representing compensation earned by Doron Birger. See note 12C

- H. On August 15, 2021, the board determined to award a bonus to the Company's Chairperson of the Board, CEO, CFO, officers, directors and senior management equal to two percent (2%) of any capital raise, subject to prior repayment of the outstanding convertible loans and so long as the payment thereof would be from available funds and part of the Company's operating budget for a minimum period of 18 months. In addition, the Board agreed to a bonus Company's Chairperson of the Board, CEO, CFO, officers, directors and senior management of 2% from operating profits which will become payable upon the fulfillment of certain specified targets that the Board will establish, subject to prior repayment of the outstanding convertible loans and so long as the payment thereof would be from available funds and as part of the Company's operating budget for a minimum period of 18 months.
- I. On January 17, 2023, the Board of Citrine Global, appointed Ms. Ora Elharar Soffer to serve as president of the Company. Ms. Elharar Soffer has been continuously serving as the Company's Chief Executive Officer since May 7, 2020, and as a Company director since February 21, 2020, and as Chairperson of the Board since March 3, 2020.
- J. On January 17, 2023, the Board of Citrine Global appointed Ms. Ilanit Halperin to serve as treasurer and secretary of the Company. Ms. Halperin has been continuously serving as the Company's Chief Financial Officer since May 7, 2020 and as a Company director since February 21, 2020.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – INCOME TAXES

- A. United States resident companies are taxed on their worldwide income at a statutory rate of 21%. No further taxes are payable on this profit unless that profit is distributed. If certain conditions are met, income derived from foreign subsidiaries is tax exempt from foreign withholding under applicable tax treaties to avoid double taxation.

Income of the Israeli Subsidiaries is taxable from 2021 and onwards, at corporate tax rate of 23%. The Company and its Israeli Subsidiaries have not received final tax assessments since the Israeli Subsidiary's inception. tax years are open for assessment Company's tax years, from 2018 onwards, are open for assessment and for the Israeli Subsidiaries all tax years from commencement are open for assessment.

As of December 31, 2023 and 2022, the Company and the Israeli Subsidiaries have operating loss carryforwards of approximately \$13,120 thousand and \$12,096 thousand, respectively, which can be offset against future taxable income, if any. As of December 31, 2023, and 2022, the Company loss carryforwards approximately \$351 thousand will expire between the years 2036 and 2037, and the remainder has no expiration date.

- B. Composition of loss for the year:

	Year ended December 31	
	2023	2022
	U.S. Dollars in thousands	
U.S.	2,696	2,211
Israel	409	434
	<u>3,105</u>	<u>2,645</u>

- C. The following is a reconciliation between the theoretical tax on pre-tax loss, at the federal income tax rate applicable to the Company and the income tax expense reported in the financial statements:

	Year ended December 31	
	2023	2022
	U.S. Dollars in thousands	
Pretax loss	3,105	2,645
U.S. federal income tax rate	21%	21%
Income tax benefit computed at the applicable tax rate	(652)	(555)
Non-deductible expenses	180	1
Effect of differences in corporate income tax rates	(19)	(6)
Change in valuation allowance	491	560
	<u>-</u>	<u>-</u>

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- D. Deferred taxes are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31	
	2023	2022
	U.S. Dollars in thousands	
Composition of deferred tax assets:		
Operating loss carry forwards	2,774	2,553
Share based compensation	453	290
Convertible component in convertible notes	-	33
Accrued compensation	348	253
Total deferred tax assets	3,575	3,129
Composition of deferred tax liabilities:		
Convertible notes	-	45
Total deferred tax liabilities	-	45
Valuation allowance	(3,575)	(3,084)
	-	-

E. Roll forward of valuation allowance

	US dollars in thousands
Balance at January 1, 2022	2,610
Additional paid in capital	(86)
Income tax expense	560
Balance at December 31, 2022	3,084
Income tax expense	491
Balance at December 31, 2023	3,575

NOTE 11 – LOSS PER ORDINARY SHARE

Basic loss per share is computed by dividing net loss by the weighted average number of shares outstanding during the year. The weighted average number of shares of Common Stock used in computing basic and diluted loss per ordinary share for the years ended December 31, 2023 and 2022, are as follows:

	Year ended December 31	
	2023	2022
	Number of shares	
Weighted average number of shares of Common Stock outstanding attributable to ordinary shareholders	961,774,376	942,963,225
Total weighted average number of shares of Common Stock related to outstanding options, excluded from the calculations of diluted loss per share (*)	30,884,971	30,884,971

(*) The effect of the inclusion of options and convertible loans in 2023 and 2022 is anti-dilutive.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENTS

- 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 Credit Facility 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 short term loan 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 October 1, 2024, Mr. Ilan Ben Ishay resigned from his position as a director on the Board of Cannovation. On September 15, 2024 he resigned from his position as a director on the Board of the company subsidiary CTGL Citrine Global Israel Ltd.
- 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 was approved 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.

CITRINE GLOBAL CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – SUBSEQUENT EVENTS

- 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.

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 botanicals industries.

On January 12, 2025, Cannovation Center Israel Ltd. the Israeli subsidiary 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.**

H. Further to Note 3C above, 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. The warrants are exercisable by December 31, 2025, or upon uplisting to a national stock exchange, whichever comes first. Further to Note 6K above, the conversion price was amended to \$0.01, in accordance with the terms of the investment in note 12F above.

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. Further to Note 3A above, on June 3, 2025, Nanomedic Technologies Ltd. (“Nanomedic”) notified that it had completed a financing round of approximately 3 million. 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.

N. The Company became a delinquent filer during Q2 2024 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

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 U.S. Securities and Exchange Commission (the "SEC") rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's principal executive officer and chairperson of the Board, 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, and 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 December 31, 2023, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 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 its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Management Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, the Company's management, with the participation of the Company's principal executive officer and principal financial officer conducted an assessment, using the criteria in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013). The Company's system of internal control over financial reporting is designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. This assessment included review of the documentation of controls, evaluation of the design effectiveness of controls, and a conclusion on this evaluation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Based on this evaluation, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2023 as it identified no control deficiencies that constituted material weaknesses in the Company's internal control over financial reporting, such that there is not a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

The Company's directors hold office until the next annual general meeting of the stockholders or until their successors are elected and qualified. The Company's officers are appointed by its board of directors and hold office until the earlier of their death, retirement, resignation, or removal.

The following table sets forth the names and ages of the members of the board of directors and the executive officers and the positions held by each as of the date of this filing.

Name	Age	Positions
Ora Elharar Soffer	57	Chairperson of the Board of Directors and Chief Executive Officer and President
Ilanit Halperin	51	Chief Financial Officer, Director, Treasurer and Secretary
David Kretzmer	70	Director

Family Relationships

There are no family relationships between any members of the Company's executive management and its directors.

Business Experience

The following is a brief account of the education and business experience of our current directors and executive officers:

Ora Elharar Soffer

Ora Elharar-Soffer has been serving as Director and Chair of the Board of Citrine Global Corp. since February 2020, Chief Executive Officer since May 2020, and as President since January 2023. She also serves as a director of the Company's wholly owned subsidiary, CTGL Citrine Global Israel Ltd., and as CEO, founder, and Chairwoman of the Company's majority-owned subsidiary, Cannovation Center Israel Ltd.

Ms. Elharar-Soffer is a seasoned entrepreneur and strategic leader with over 30 years of experience in high-tech, healthcare, biotech, and defense-related infrastructure. She has extensive expertise in business development, capital markets, M&A, and IPOs, with a strong focus on transforming Israeli innovation into scalable global ventures. She has founded and led multiple successful ventures across the technology and defense sectors. She founded Chip PC Technologies, a cybersecurity and virtualization company that was made public and expanded globally. She also co-founded Xseed, a defense technology company established in partnership with Elbit Systems. Later on, Elbit Systems acquired the entire company. Ms. Elharar-Soffer is the founder and managing partner of Citrine SAL investment funds, specializing in High-tech, Bio-Tech, and advanced technologies. The funds have invested in companies such as Nicast, NanoMedic, Dario Health, BioCep, TechCare, Citrine Global, Intelicanna, iBOT Israel Botanicals, ICB, and Improdia, focusing on disruptive Israeli technologies and their global expansion.

In addition to her executive roles, she serves as a director and is a significant shareholder in several technology, investment, and innovation companies, such as Biocep Ltd., iBOT Israel Botanicals Ltd., Beezhome Technologies Ltd, Beyond Blade Ltd, Citrine SAL investment & holdings Ltd, Citrine SAL High-Tech Ltd and Citrine S A L Bio-Tech Ltd.

Ms. Elharar-Soffer developed the Operational Innovation Center platform, a proprietary strategic and business infrastructure designed to accelerate the growth of Israeli innovation companies by providing tailored support for regulation, manufacturing, logistics, commercialization, and global market access. Ms. Elharar Soffer completed Management Studies in the Technion - Israel Institute of Technology.

Her broad entrepreneurial background, board-level experience, and long-standing leadership in the tech and defense sectors position her as a key driver of the Company's strategic direction.

The Board believes that Ms. Elharar Soffer's extensive history, association with and knowledge of the Company, and years of experience make her ideal to serve on our Board.

Ilanit Halperin has been serving as a director since February 2020 and our Chief Financial Officer since May 2020 and treasurer and secretary since January 2023 and currently serves as director in our wholly owned subsidiary CTGL Citrine Global Israel Ltd. and our majority owned subsidiary Cannovation Center Israel Ltd. Ms. Halperin worked for over 21 years in one of the six largest accounting firms in Israel, for the last 11 years as a partner. She then set up her own office providing CPA and financial consulting and management services. For many years Ms. Halperin has accompanied public and private companies in Israel and abroad in diverse sectors, including industrial companies, real estate companies, technology companies, and tourism companies. Ms. Halperin has extensive experience in auditing and preparing financial statements according to Israeli, international (IFRS) and US GAAP standards. Ms. Halperin specializes in accompanying early and mature stage companies, providing, inter alia, tax advice, general financial consulting, assistance in preparing business plans, and assistance and accompaniment with investors, private placements and IPOs in Israel and the USA. Ms. Halperin has many years of experience accompanying NASDAQ and OTC-traded companies. Ms. Halperin holds a B.A. in accounting from the College of Management Academic Studies, Rishon Lezion, Israel.

The Board believes that Ms. Halperin's extensive knowledge of the Company, her knowledge of financial matters, and years of experience make her ideal to serve on our Board.

David Kretzmer was appointed as director in April 2021 and currently serves as director in our wholly owned subsidiary CTGL Citrine Global Israel Ltd. and our majority owned subsidiary Cannovation Center Israel Ltd. and Mr. Kretzmer is an experienced international commercial lawyer and litigator with more than 35 years of experience in international litigation and transactions concentrated on commercial law, property development and syndication, real estate law, corporate law, contracts, international trade, securities brokerage, investment banking, corporate restructuring, and corporate development. In addition to his position as a director in our Company, Mr. Kretzmer is a senior partner in the law firm of Kretzmer and Associates PLLC in New York as well as the law firm Kretzmer and Associates in Tel Aviv. Mr. Kretzmer holds a Bachelor of Law from the University of the Witwatersrand, Johannesburg, South Africa and has been admitted as an Attorney in South Africa, New York and in Israel. Mr. Kretzmer is based in Israel.

The board believes that Mr. Kretzmer's international business and legal experience makes him ideal to serve on our Board.

Committees of the Board of Directors

The Company does not presently have a separately constituted audit committee, compensation committee, nominating committee, executive committee or any other committee of its board of directors. As such, its entire Board acts as its audit committee.

Code of Ethics.

We have adopted a Code of Business Conduct and Ethics, or the Code of Conduct, applicable to all of our employees, executive officers and directors. The Code of Conduct is available on our website at www.citrine-global.com. Our Board must approve any waivers of the Code of Conduct for employees, executive officers and directors. In addition, we intend to post on our website all disclosures that are required by law concerning any amendments to, or waivers from, any provision of the Code of Conduct. All of our directors, executive officers and employees are required to certify in writing their understanding of and intent to comply with the Code.

Involvement in Certain Legal Proceedings.

The Company is not aware of any material legal proceedings that have occurred within the past ten years concerning any Director or control person which involved a criminal conviction, a pending criminal proceeding, a pending or concluded administrative or civil proceeding limiting one's participation in the securities or banking industries, or a finding of securities or commodities law violations.

Section 16(a) Compliance

Section 16(a) of the Securities and Exchange Act of 1934 requires the Company's directors and executive officers, and people who own beneficially more than ten percent (10%) of the Company's Common Stock, to file reports of ownership and changes of ownership with the Securities and Exchange Commission. Copies of all filed reports are required to be furnished to the Company pursuant to Section 16(a). No delinquent reports were filed during 2023 by the Company's officers and directors and ten percent (10%) stockholders.

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation

The following table sets forth the total compensation received for services rendered in all capacities to our Company for the last two fiscal years, which was awarded to, earned by, or paid to our Chief Executive Officer and Chief Financial Officer, who are our only serving officers, whose total compensation exceeded \$100,000 during 2021 which we refer to collectively as our “Named Executive Officers.”

Name and Principal Position	Year	Salary \$(1)	Bonus (\$)	Option Awards (\$)(2)	All other compensation (\$)	Total (\$)
Ora Elharar Soffer, Chairperson of the Board and Chief Executive Officer	2023	360,000	-	378,000(4)	-	738,000
	2022	300,000	-	-(4)	-	300,000
Ilanit Halperin, Director and Chief Financial Officer	2023	132,000	-	157,000(4)	-	289,000
	2022	90,000	-	-(4)	-	66,000

Consulting Agreements with Management and Directors

We have entered into consulting agreements with each of Ms. Elharar Soffer, our Chairperson of the Board and Chief Executive Officer, and Ms. Halperin our Chief Financial Officer and director and our directors. The following are descriptions of the material terms of our executive officers’ services and employment agreements.

Consulting Agreement with Ora Elharar Soffer

On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms. Ora Elharar Soffer, the Company’s Chairperson, CEO and President, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms. Elharar Soffer is entitled will increase from \$20,000 to \$25,000 (in invoice plus VAT if applicable) upon a listing of the Company’s stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company’s board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by Ms. Elharar Soffer, shall continue in full force and effect so long as Ms. Elharar Soffer serves as *either* director and /or executive officer,(iii) all previous awards and bonuses previously made to her were affirmed and (iv) Ms. Elharar Soffer has agreed to defer compensation due to her until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company’s securities, at which time outstanding amounts due to her under the agreement would be paid to her. In addition, the amendment also provides that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for the Consultant that takes into consideration Ms. Elharar Soffer’s role in founding and leading the Company and that such compensation package shall be competitive with compensation programs for top senior executives/founders generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executive and that Ms. Elharar Soffer shall receive the most extensive of such compensation terms amongst senior management.

On August 9, 2022, the Company’s board also determined to grant to award to Ms. Elharar Soffer options under the 2018 Plan to purchase up to 47,128,400 shares of common stock, at a per share exercise price of \$0.022. The options are scheduled to vest over a three year period, in twelve (12) equal installments, with the first instalment vesting on the third month anniversary of the date of grant and each further instalment on each subsequent third month anniversary, subject to such individual’s continued service with the Company. In the event of a change in control, the vesting schedule is accelerated and all unvested options vest. The stock option agreement with Ms. Elharar Soffer provides that the exercise price of the options that were awarded shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. In addition, the agreements further provide that upon a listing of the Company’s stock on the Nasdaq Stock Market, one half of the unvested options would vest.

Consulting Agreement with Ilanit Halperin

On March 16, 2023, the consulting agreement originally entered into as of July 2020 with Ms. Ilanit Halperin, the Company's director and CFO, was amended. The amendment provides for the following: (i) the monthly consulting to which Ms. Ilanit Halperin is entitled will increase from \$7,500 to \$10,000 (in invoice plus VAT if applicable) upon a listing of the Company's stock on the Nasdaq Stock Market, retroactive to January 1, 2023, (ii) the terms contained in her original agreement and all other terms and awards previously approved by the Company's board relating to her, including payment of her monthly fee and reimbursement of social benefits payments made by, Ms. Ilanit Halperin shall continue in full force and effect so long as Ms. Halperin serves as *either* director and /or executive officer, (iii) all previous awards and bonuses previously made to her were affirmed and (iv) Ms. Halperin has agreed to defer compensation due to her until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company's securities, at which time outstanding amounts due her under the agreement would be paid to her. In addition, The Company undertakes that the committee of the Board that will be responsible for setting the compensation terms of senior management shall prepare and present for approval a compensation program for Ms. Halperin that shall be competitive with compensation programs for senior executives generally available in the market and which will include, among other things, appropriate bonuses, severance payments and other amenities generally made available in the market to senior executives.

On August 15, 2021, the Company's board determined to award Ms. Halperin options under the 2018 Plan to purchase up to 9,425,680 shares of common stock, at a per share exercise price of \$0.05. The options vest over a two year period, in eight (8) equal installments, with the first instalment vesting on the third month anniversary of Ms. Halperin's start date of February 27, 2020. As of the date of this report, the entirety of the options have vested. In addition, on August 15, 2021, the board of directors of Cannovation Center Israel determined to adjust the compensation of the chief financial officer, Ilanit Halperin, to \$4,000 per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation Center shall become due and payable from, and such time as Cannovation Center Israel shall have, available funds therefor and as part of the operating budget for a minimum period of 18 months. On March 30, 2022, it was agreed that Ms. Halperin would receive 25% of the allotted amount of the above referenced bonus.

On August 9, 2022, the Company's board also determined to grant to award to Ms. Halperin options under the 2018 Plan to purchase up to 18,851,360 shares of common stock, at a per share exercise price of \$0.020. The options are scheduled to vest over a three year period, in twelve (12) equal installments, with the first instalment vesting on the third month anniversary of the date of grant and each further instalment on each subsequent third month anniversary, subject to such individual's continued service with the Company. In the event of a change in control, the vesting schedule is accelerated and all unvested options vest.

The stock option agreements with Ms. Halperin provide that the exercise price of the options that were awarded shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. In addition, the agreements further provide that upon a listing of the Company's stock on the Nasdaq Stock Market, one half of the unvested options would vest.

Consulting Arrangement with Doron Birger

Commencing September 2020, Adv. Doron Birger, a director, is entitled to a monthly fee of \$1,500 per month and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company. Beginning August, 2022, Mr. Birger has agreed to defer compensation due to him until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company's securities.

The stock option agreements with Mr. Birger provide that the exercise price of the options that were awarded shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. In addition, the agreements further provide that upon a listing of the Company's stock on the Nasdaq Stock Market, one half of the unvested options would vest. Mr. Birger also serves as a director on the Board of Cannovation.

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

Consulting Arrangement with David Kretzmer

Commencing in March 2021, Adv. David Kretzmer, a director, is entitled to a monthly fee of \$7,000 and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company. On August 9, 2022, Mr. David Kretzmer's fee in respect of services provided to the Company was reduced to \$1,500 per month. Mr. Kretzmer has agreed to defer compensation due to him until such time as the Company shall have consummated an investment of at least \$1.8 million in the Company's securities.

The stock option agreements with Mr. Kretzmer provide that the exercise price of the options that were awarded shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. In addition, the agreements further provide that upon a listing of the Company's stock on the Nasdaq Stock Market, one half of the unvested options would vest. Mr. Kretzmer also serves on the Board of Cannovation.

Consulting Arrangement with Ilan Ben Ishay

Commencing in February 2020, Ilan Ben-Ishay, a director in Citrine Global, is entitled to a monthly fee of \$3.5 thousands and certain reimbursements for traveling lodging and vehicle expenses on behalf of the Company, the payment of such compensation was deferred until the Company consummates an investment of at least \$1.8 million in the Company's securities. In addition, on August 15, 2021, the board of directors of Cannovation determined to adjust the compensation of Ilan Ben Ishay, a director at Cannovation, to \$2 thousands per month, in each case retroactive to July 1, 2021. These amounts would be paid at such time as Cannovation shall become due and payable from, and such time as Cannovation shall have, available funds therefor and as part of the operating

budget for a minimum period of 18 months.

On August 9, 2022, the Company's board also determined to grant to award to Mr. Ben Ishay options under the 2018 Plan to purchase up to 18,851,360 shares of common stock, at a per share exercise price of \$0.020. The options are scheduled to vest over a three year period, in twelve (12) equal installments, with the first instalment vesting on the third month anniversary of the date of grant and each further instalment on each subsequent third month anniversary, subject to such individual's continued service with the Company. In the event of a change in control, the vesting schedule is accelerated and all unvested options vest. The stock option agreement with Mr. Ben -Ishay provides that the exercise price of the options that were awarded shall remain unaffected by the implementation of a reverse stock split that the Company may implement; to avoid any doubt, such reverse stock split shall apply to the number of options shares issuable under such options and all other relevant terms of such options (other than the exercise price) shall continue in full force and effect following the implementation of such reverse stock split. In addition, the agreements further provide that upon a listing of the Company's stock on the Nasdaq Stock Market, one half of the unvested options would vest

On January 18, 2023, Mr. Ben Ishay resigned from his position as a director on the Board of Citrine Global Corp.

On September 15, 2024 he resigned from his position as a director on the Board of the company subsidiary CTGL Citrine Global Israel Ltd and on October 1, 2024 he resigned from his position as a director on the Board of the subsidiary Cannovation Center Israel Ltd.

Golden Parachute Compensation

The Company does not currently have any agreement or understanding, whether written or unwritten, between it and its named executive officers, concerning any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to an acquisition, merger, consolidation, sale or other disposition of all or substantially all our assets.

Equity Compensation Plan

2018 Stock Incentive Plan

In December 2018, TechCare, our predecessor company, adopted the 2018 Stock Incentive Plan, or the 2018 Plan, which became effective as of December 2, 2018 by the action of its board of directors. The 2018 Plan provides for the grant of stock awards, restricted stock awards and stock options to any employee, director, officer, consultant, or advisor of the Company, or such other persons who provided bona fide services to the Company as shall be determined by a committee designated by the board of directors. If no committee is designated by the board of directors, the 2018 Plan will be administered by the board of directors. As of the date of this report the board of directors has not designated a committee to administer the 2018 Plan.

The total number of shares of common stock reserved for issuance under the 2018 Plan, either directly as stock awards or underlying options is 2,000,000 shares of common stock. The total number of shares of common stock reserved for such issuance may be increased only by a resolution adopted by the board of directors and amendment of the 2018 Plan. Awards under the 2018 Plan may be granted until December 2, 2028. The terms of under which a stock award or option is granted under the 2018 Plan shall be set forth in a written agreement, which shall be determined by the committee or the board of directors.

As of February 2021, the shares reserved for issuance under the 2018 Stock Incentive Plan was increased to 90,000,000 shares of common stock. In August 2022 the shares reserved for issuance under the 2018 Stock Incentive Plan was further increased to 180,000,000 shares of common stock

As of December 31, 2023, the total number of shares of common stock issued under the 2018 Plan, either directly as stock awards or underlying options was 122,529,342 shares of common stock.

2017 Employee Incentive Plan

In 2017, the Company adopted the 2017 Employee Incentive Plan, or the 2017 Plan, which became effective as of January 1, 2017 by the action of the board of directors. The 2017 Plan provided for the grant of stock awards and stock options to any employee, director, officer, consultant, or advisor of the Company, or such other persons who provided bona fide services to the Company as determined by a committee designated by the board of directors followed by the approval of the board of directors; however, if the committee was composed of a majority of the persons then comprising the board of directors, the approval of the board of directors was not necessary. If no committee was designated by the board of directors, the 2017 was to be administered by the board of directors. The board of directors did not designate a committee to administer the 2017 Plan.

As of December 31, 2023, the total number of shares of common stock issued under the 2017 Plan, either directly as stock awards or underlying options, was 0 shares of common stock.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth the number of shares of our common stock beneficially owned as of August 31st, 2025, by (i) each of our current directors and named executive officers, (ii) all executive officers and directors as a group, and (iii) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock. We have determined beneficial ownership in accordance with applicable rules of the SEC, which generally provide that beneficial ownership includes voting or investment power with respect to securities. Except as indicated by the footnotes to the table below, we believe, based on the information furnished to us, that the persons named in the table have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

The information set forth in the table below is based on 1,234,185,009 as shares of our common stock issued and outstanding as of the date of this filing. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options, warrants or other convertible securities held by that person that are currently exercisable or will be exercisable within 60 days after the filing date.

We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Except as otherwise noted in the footnotes below, the address for each person listed in the table below, solely for purposes of filings with the SEC, is c/o

Name of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Common Stock Owned
Principal Stockholders:		
Ora Elharar Soffer (1)	394,161,446	37.10%

Citrine SAL Investment & Holdings Ltd	201,256,386	16.31%
iBOT Israel Botanicals Ltd.	70,370,370	6.74%
Executive Officers and Directors:		
Ora Elharar Soffer	394,161,446(1)	37.10%
Ilanit Halperin	29,688,144(2)	2.41%
David Kretzmer	12,032,100(3)	0.97%
All directors and executive officers as a group	435,881,690	35.32%

* Less than 1%.

(1) Includes 79,925,134 shares of common stock owned directly by Ora Elharar Soffer, 65,851,526 shares of common stock owned through Beezhome Technologies Ltd which is 100% owned by Ora Elharar Soffer, and 201,256,386 shares of common stock owned through Citrine S A L Investment & Holdings Ltd, which is 50% owned by Beezhome Technologies Ltd. Includes an additional 47,128,400 shares of common stock issuable upon vested options and options scheduled to vest within the next 60 days.

(2) Composed of 1,411,104 shares of common stock and 28,277,040 shares issuable upon exercise of vested options scheduled to vest within the next 60 days.

(3) Comprised of 250,000 shares of common stock and 11,782,100 shares of common stock issuable upon exercise of vested options and options scheduled to vest in the next 60 days.

Equity Compensation Plan Information

See “Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Securities Authorized for Issuance under Equity Compensation Plans.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTORS INDEPENDENCE

Director Independence

Our Board of Directors has undertaken a review of the independence of our directors and has determined that David Kretzmer is an “independent director” as defined under the listing standards of the Nasdaq Stock Market. In making this determination, the Board considered all relevant transactions and relationships between each director and the Company.

Ora Elharar Soffer, our Chairperson and Chief Executive Officer, and Ilanit Halperin, our Chief Financial Officer and Director, are not independent directors by virtue of their executive positions. Doron Birger, who resigned in February 2024, was also considered an independent director during his tenure in 2023.

Policies and Procedures for Related Person Transactions

Our Board of Directors is responsible for the review, approval, and ratification of “related person transactions” between the Company and any related persons. A related person is any executive officer, director, nominee for director, or a holder of more than 5% of our common stock, or their immediate family members.

The Board reviews the material facts of all related person transactions and either approves or disapproves of the entry into the transaction. Our related person transaction policy is not in writing.

Transactions with Related Persons

The following is a description of transactions since January 1, 2022, in which we were a participant, the amount involved exceeded \$120,000, and any of our related persons had a direct or indirect material interest.

Credit Facility Guarantees

In March 2023, our 60%-owned subsidiary, Cannovation Center Israel Ltd., entered into a credit facility agreement for up to approximately \$857,000. As security for the facility, our CEO, Ora Elharar Soffer, and former director Ilan Ben-Ishay provided personal guarantees for the repayment of any amounts drawn. The Company has agreed to indemnify them for any losses incurred as a result of these guarantees.

Investment in iBOT Israel Botanicals Ltd.

In December 2023, the Board approved an agreement for the Company to purchase a 19% equity stake in iBOT Israel Botanicals Ltd. (“iBOT”). Our CEO, Ora Elharar Soffer, and former director, Ilan Ben-Ishay, are also directors of iBOT. The consideration for this investment was determined to be approximately \$1.4 million, payable through a share exchange.

Transactions with MyPlant Bio Ltd.

In December 2022, the Company entered into an agreement to purchase a 10% equity interest in MyPlant Bio Ltd. The consideration of \$444,444 was paid on January 12, 2023, through the issuance of 9,259,250 shares of our common stock. The agreement also included an option for the Company to acquire additional shares, which expired in December 2023.

Other Arrangements

Our executive officers and directors receive compensation, including through consulting agreements and option awards. These arrangements are described in more detail above under “ITEM 11. EXECUTIVE COMPENSATION.”

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Principal Accounting Fees and Services

The following table presents the fees for professional services rendered by our accountant, Somekh Chaikin, a member firm of KPMG International, independent registered public accounting firm, located in Tel Aviv, Israel, PCAOB ID 1057, for the two years ended December 31, 2023.

	2023		2022	
			(\$ in thousand)	
Audit fees (1)	\$	95	\$	95
Audit-related fees (2)				
Tax fees (3)	\$	5	\$	5
All other fees				

Total:	\$	100	\$	100
--------	----	-----	----	-----

- (1) Audit fees consist of audit and review services, consents and review of documents filed with the SEC.
- (2) Audit-related fees consist of assistance and discussion concerning financial accounting and reporting standards and other accounting issues.
- (3) Tax fees consist of preparation of federal and state tax returns, review of quarterly estimated tax payments, and consultation concerning tax compliance issues.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report

(1) Financial Statements

The Consolidated Financial Statements filed as part of this annual report are identified in the Index to Consolidated Financial Statements on page F-1 hereto.

(2) Financial Statements Schedules

Financial Statement Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

(3) Exhibits

The following documents are filed as exhibits to this report on Form 10-K or incorporated by reference herein. Any document incorporated by reference is identified by a parenthetical reference to the SEC filing that included such document.

Exhibit No.	Description
10.4	<u>Share Purchase and Option Agreement dated as of December 30, 2022 by and among Citrine Global Corp., MyPlant Bio Ltd., Cannasoul Analytics Ltd., and PurPlant Inc. and Professor Dedi Meiri (incorporated by reference to Amendment No. 1 to the Registration Statement filed on January 30, 2023).</u>
10.5	<u>Agreement dated as of January 29, 2023 between Citrine Global Corp. and Citrine High Tech 7 LP (incorporated by reference to Amendment No. 1 to the Registration Statement filed on January 30, 2023).</u>
23.1*	<u>Consent of Somekh Chaikin, a member firm of KPMG International, independent registered public accounting firm.</u>
31.1*	<u>Certification of chief executive officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of chief financial officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Certification of chief executive officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Certification of chief financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS*	Financial information from Citrine Global Corp's Annual Report on Form 10-K for the year ended December 31, 2023 formatted in iXBRL (Inline eXtensible Business Reporting Language).
101.SCH*	iXBRL Taxonomy Extension Schema Document.
101.CAL*	iXBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	iXBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	iXBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	iXBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).
+	Management contract or compensatory plan or arrangement
*	Filed herewith
**	Furnished herewith

ITEM 16. SUMMARY

Not Applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned.

Citrine Global, Corp.

By: /s/ Ora Elharar Soffer

Ora Elharar Soffer
Chair of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: September 3, 2025

By: /s/ Ilanit Halperin

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

Date: September 3, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ora Elharar Soffer</u> Ora Elharar Soffer	Chair of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	September 3, 2025
<u>/s/ Ilanit Halperin</u> Ilanit Halperin	Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 3, 2025
<u>/s/ David Kretzmer</u> David Kretzmer	Director	September 3, 2025

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (No. 333-230-580) on Form S-8 of our report dated August 31, 2025 with respect to the consolidated financial statements of Citrine Global Corp.

/s/ Somekh Chaikin

Somekh Chaikin

Member Firm of KPMG International

Date: September 3, 2025

Citrine Global, Corp.
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ora Elharar Soffer, certify that:

1. I have reviewed this annual report on Form 10-K 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.
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 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

Date: September 3, 2025

Citrine Global, Corp.
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ilanit Halperin, certify that:

1. I have reviewed this annual report on Form 10-K 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.
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 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

Date: September 3, 2025

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ora Elharar Soffer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of Citrine Global, Corp. on Form 10-K for the year ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such annual report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Citrine Global Corp. as of and for the year ended December 31, 2023. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such annual report and shall not be deemed filed pursuant to the Securities Exchange Act of 1934.

By: /s/ Ora Elharar Soffer

Ora Elharar Soffer, Chief Executive Officer

Date: September 3, 2025

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ilanit Halperin, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the annual report of Citrine Global, Corp. on Form 10-K for the year ended December 31, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such annual report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Citrine Global, Corp. as of and for the year ended December 31, 2023. This written statement is being furnished to the Securities and Exchange Commission as an exhibit accompanying such annual report and shall not be deemed filed pursuant to the Securities Exchange Act of 1934.

By: /s/ Ilanit Halperin
Ilanit Halperin, Chief Financial Officer

Date: September 3, 2025
